CANADIAN Taxpayers FEDERATION

THE TAXPAYER

Promoting the responsible and efficient use of tax dollars

Vol 8 no 5/96

CANADA: Home of the highest property TAXE$ in the WORLD

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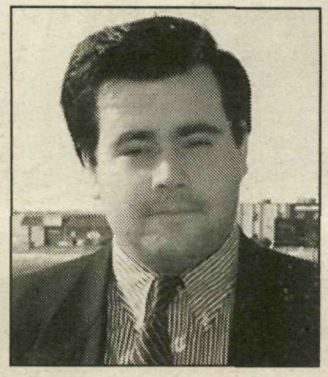


Canadian Taxpayers Federation President Jason Kenney

It's always nice to be number one in your field. Canadians, for example, take great pride in their United Nations' ranking as the best country in the world in which to live. But there is another number one ranking we could do without — the country paying the highest property taxes.

As you'll read in this issue of *The Taxpayer*, Canadians pay more in property tax than any other developed nation on earth. At 4.1% of GDP (the total production of the economy) our property taxes are far more onerous than even relatively highly taxed nations such as France (whose property taxes amount to 2.3% of GDP) and Germany (whose taxpayers contribute 1.1% of the nation's production to property taxes).

Part of the reason for such an outrageous level of property taxation in Canada might have something to do with the complexity of the system. Different types of assessment systems, calculation formulas, and administrative rules and regulations make property taxes so difficult to understand that they are often ignored. This issue of *The Taxpayer* hopes to unravel some of the mystery surrounding property taxes with an eye toward empowering taxpayers to assess and appeal their own tax bill.

To that end we have included an article aptly entitled "Appealing property taxes" that should give you a better idea as to whether or not the taxes you are currently paying are fair, and, if not, how you can go about having your property taxes rolled back.

Another reason for the high proportion of property taxes has to do with the spending habits of municipal governments. Cities, towns, and counties are no different from their big brothers (the provinces and the federal government) — they spend as much, or more, than they raise in revenue. If we are ever to reduce that 4.1% of GDP to property tax ratio, we must first get municipal spending under control.

Inside, you'll find an article by renowned author and municipal consultant Charles Bens on how municipalities can save themselves some money and give taxpayers a break in the process.

Along with the special section on property taxes, you'll be treated to numerous examples of government waste dug up by our ever diligent research department. A detailed study of severance allowances for provincial and federal politicians might have you thinking about running for office, and this issue's grants section will reveal that you can get federal money for just about anything — including handouts for fashion shows and tattoo parlours.

So, as you can see, property taxes are just the tip of the iceberg. Still, we must press on. Exposing all this chaos is just the first step. It's up to you to take matters into your own hands by revisiting your property tax bill, by joining local ratepayer groups, by writing to your MLAs, MPPs and MPs demanding an end to wasteful handouts. Help us help you to set things right. ■

Canada: Highest property taxes in the world.

When's the last time you wrote a letter to a politician?

One of the simplest ways to become involved is by writing a letter to your MLA or MP. As a taxpayer, you need to realize that special interest groups wanting politicians to spend more of your hard-earned money are putting intense pressure on our elected officials. Taxpayers must get involved to stem this tide. Here are some points to consider when writing a letter:

1. Keep it short: Get to the point immediately and try to keep your letter one page in length.

2. Be polite: If your representative believes that you will not vote for him no matter what he does, your letter will probably be ignored. You may disagree on an issue, but don't be abusive.

3. Don't write just for the sake of writing. Make sure you have a relevant topic.

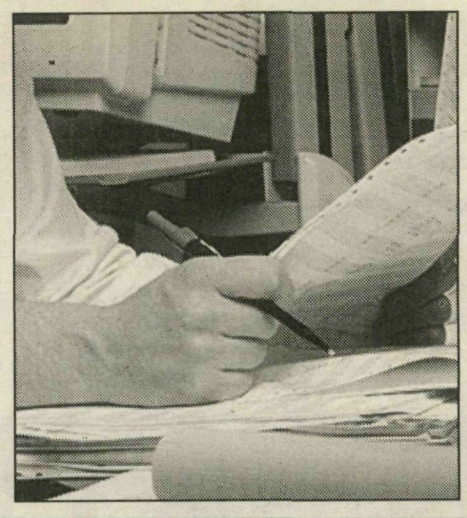
4. Write on one issue: Don't ramble on and write a long list of gripes and complaints.

5. Hand written letters have an impact as long as they are readable, but typewritten is also fine. Make sure your return address is on the letter.

6. Enclose any relevant materials to support your arguments such as newspaper clippings, etc. If you are writing concerning a particular Bill, try as much as possible to use its official name.

7. Make your letter personal. Use personal examples that support your statements and concerns.

8. Ask what your representative is going to do about your concern. If they send a vague reply, send another letter asking specifically where they stand on the issue.



9. It is proper to address the Prime Minister as "The Rt. Honourable" and start the letter with "Dear Prime Minister." Cabinet Ministers and Premiers should be addressed as "The Honourable" and start their letters with "Dear Madame or Mr. Minister." MLAs or MPs should be addressed as "Mr./Ms. (Surname), MLA or MP." Remember your letter will have more impact if you show respect for their position.

10. If politicians take a taxpayer position, send a letter thanking them for their support.

Getting their address

To get the address for your local federal MP, look in your telephone book under the federal government blue pages or phone 1-800-667-3355. For a provincial MLA, look in the phone book under the blue pages for the provincial government. (Note you may have to phone for the address).■

Contents

CTF receives international award . . . 4
Your taxes - Tax man's reach more than fiscal . . . 5
Severance payouts to politicians . . . 6
Only in Canada eh... . . . 7
Property taxes and municipal government . . . 10-15
Appealing your property taxes . . . 12
Proposition 13 . . . 13

Information:

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit organization. Our three-fold purpose is: 1) To act as a watch dog, and to inform taxpayers of government's impact on their economic well-being; 2) To promote responsible fiscal and democratic reforms, and to advocate taxpayers' common interests; 3) To motivate taxpayers to exercise their democratic responsibilities. Founded in 1989, the Federation is independent of all political or institutional affiliations and is entirely funded by its associate membership fees and free-will contributions. *The Taxpayer* is published six times a year and is mailed to the CTF's associate members.

For more information write: the Canadian Taxpayers Federation, #105 - 438 Victoria Ave. East, Regina, Sask., S4N ON7, or phone our toll-free number: 1-800-667-7933. All material in *The Taxpayer* is copyrighted. Permission to reprint can be obtained by writing *The Taxpayer* at the address above. Printed in Canada. Editorial cartoons are used by permission.

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Taxpayers Federation votes "yes" to referendums

Ontarians could control the level of their taxes

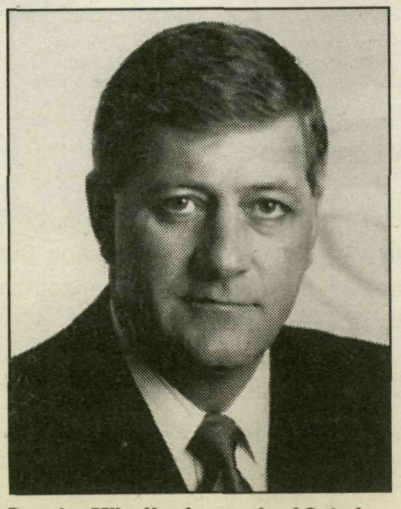
TORONTO - In a September 10th appearance before the Ontario Legislative Assembly Committee studying the "Referendum Alternative," Canadian Taxpayers Federation (CTF) President Jason Kenney said referendums and initiatives are the key to restoring Canadians' confidence in their democratic institutions.

In putting forward a draft bill that would enable Ontarians to vote on matters of public policy on a regular basis, Kenney said "While they have served us well in the past, our Parliamentary institutions have failed to keep pace with the growing complexity of Canadian society and to provide a role for an increasingly sophisticated electorate."

Kenney referred to the government's "Consultation Paper on Referendum" which he says was struck, in part, out of a commitment obtained by the Federation from Premier Mike Harris to institute a taxpayer protection law to give Ontarians the right to vote on the level of their taxes.

"This Consultation Paper is certainly a step in the right direction. It holds out a great deal of hope that Ontario taxpayers may eventually have a direct say in how their tax dollars are managed," Kenney added.

The Federation's proposal, however, goes further and would allow citizens to initiate a referendum on their own, or the Legislature itself could put a bill to a public vote. "Government sponsored referendums are certainly worthwhile, but Canadians want the process extended so that their interests, and not just the government's, can be voted on directly," he stated.



Premier Mike Harris promised Ontarians a greater say in government.

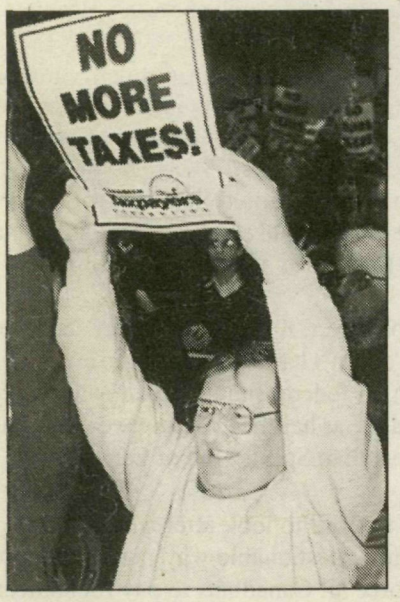
Kenney also pointed out that the Federation's proposal incorporates a number of safeguards to prevent the initiative and referendum process from falling into disrepute. "We've suggested very high thresholds of support via petitions before any vote could be called, and we've made the proposal air-tight so that it can't be manipulated by special interest groups."

Such safeguards, Kenney added, as initiatives and referendums would do more to restore public trust than any other systemic reform. "Giving people back their confidence in government means giving them a direct vote," he concluded.■

Martin's rejection of tax cuts an affront to Canadians

VICTORIA - The Canadian Taxpayers Federation took issue with Finance Minister Paul Martin's statement that Liberal policies have benefited Canadian taxpayers and that no tax cuts are necessary.

Federation Research Director Mitch Gray said figures released by Mr. Martin give a misleading impression of the Liberal government's record on taxes. "Mr. Martin's claim that Canadians have benefited from his taxation policies would be laughable if it wasn't so tragic," he added.



Canadians want their horrendous tax burden reduced.

Gray commented that while Mr. Martin has cut UI premiums in 1996, he also raised them in 1994. The net effect has been an *increase* in UI revenues from $18.2 billion in 1993 to $19.5 billion in 1995. "How can the Finance Minister-with a straight face - tell the Canadian public that UI taxes have fallen when, in fact, they have not?"

Gray also suggested the government's contention that a drop in interest rates has saved taxpayers money is also misleading. "While some people may have saved a few dollars on a mortgage, others are taking a hit on things like reduced pension income. You simply can't compare interest rate reductions - something that saves *some* people money - to a tax cut that would save *everyone* money."

Moreover, international markets and not Paul Martin control Canada's interest rates, Gray stressed. "The Finance Minister taking credit for low interest rates is ridiculous," he added.

"The fact is, the Liberals have increased taxes dramatically since coming to power," Gray said, pointing out that federal revenues will have grown by $11.7 billion or 13 percent (faster than GDP) by 1997-98 since the Liberal's first budget. The vast majority of this increase is due to the elimination or reduction of tax credits, deductions and deferrals.

"The government has blatantly broken its election promise not to raise taxes by raising gas, business and other taxes through the back door 33 times," Gray said.

He added that Martin's refusal to cut taxes will hurt the Liberal party's prospects in the next federal election. "Canadians need job-creating tax relief now. Any party that fails to acknowledge this fact will face a hostile electorate in the next federal contest."■

TAX HITS

Thousand dollars-a-day Ed

Former Newfoundland Attorney General Ed Roberts has found himself a lucrative government contract. In what was basically just an exercise in public relations, he was hired by the Department of Fisheries and Oceans to explain the constitutional amendment on Newfoundland schools to MPs and Senators. His $125 per hour bill could have been worth $30,000 to him at the end of his six-week contract. Critics say clerks and Library of Parliament researchers could have done the work, or better yet, Premier Brian Tobin could simply have explained the amendment to everyone concerned and saved a waste of time, effort and money.

Foreign Affairs

An internal audit shows the Department of Foreign Affairs staff has the potential to save taxpayers $1,000 on every overseas trip they make. The Department racked up $10 million in overseas flights by diplomats and trade officials in 1993-94. The Auditor's office says that costs would be substantially reduced if they took advantage of early bookings, discounts and reduced fares. Additional savings could be gained even through local travel. The Auditor said, "Little control is exercised over the ... distribution of taxi books and the allocation of taxi charges." The Department's 2,500 headquarters employees spent $630,000 on taxi fares in 1993-94 and $300,000 in the first six months of 1994-95.

Tax man likes Rock and Roll

The sound of a $1,000 winner on a Victoria, B.C. rock radio station was music to the taxman's ears. The radio station had a promotion where a listener was the lucky winner of a $1,000 prize. Unfortunately the tax man was tuned in, did a computer check on the winner and found out he owed back taxes. Within a half an hour, a tax collector was on the doorstep of the radio station demanding a $1,000 cheque - then and there - to be made out to the Receiver General of Canada.

Tax evasion El Supremo

Tax evasion was taken to new heights with revelations that one of the former top tax collectors in Victoria, B.C. was charged with tax evasion and filing false tax returns. The former chief of appeals for Revenue Canada's GST department was recently sentenced to 45 days in jail and fined nearly $7,000 for his illegal activities. The former senior bureaucrat won't serve any time, however, because recent changes to the criminal code allow individuals found guilty for certain types of crimes to be given a conditional sentence provided certain conditions are not violated. This incident should send a clear message to Ottawa. If former top bureaucrats in its tax department are trying to evade taxes, the levels of taxation in this country might just be too high.■

CANADIAN Taxpayers FEDERATION receives:

INTERNATIONAL AWARD

By Dean Smith

This past June, Jason Kenney, President of the Canadian Taxpayers Federation (CTF), attended the Taxpayers Associations International (TAI) Conference in Budapest, Hungary. He was invited to deliver the opening address on the CTF's success in implementing tax and expenditure limits on the Canadian scene.

TAI is an organization with some 24 member associations from 18 countries on five continents dedicated to providing an international forum for taxpayer issues. Founded in 1989, it holds a bi-annual conference which allows its members to share information about policy and organizational trends and innovations, and to identify issues of common interest to taxpayers across the developed world. The CTF has been a member of TAI since 1992.

The TAI conference was held in Budapest this year as a gesture to eastern European countries, who have begun the daunting task of constructing the voluntary institutions of civil society, such as strong, independent taxpayers groups, which we tend to take for granted. To that end, several of the western European groups and the CTF have provided financial and logistical support to taxpayer movements in countries like Hungary, Croatia, Estonia, and the Czeck Republic.

In his opening address, Kenney showed how Canada is a prime example of the modern welfare state gone wrong. He said Canada's fiscal crisis exceeds even that of European countries which have a longer and larger tradition of big government. This was due to the powerful influence tax-and-spend special interest groups have had on Canada's political process. The only way, he said, to deal with this problem is through the adoption of constitutional fiscal limits as has been done by a number of provinces in Canada.

Kenney's message was so well received that in the following plenary session, European groups unanimously agreed to endorse a variation of the CTF's taxpayer protection principles for inclusion in the new European Union constitution. Over the next few days, Kenney, along with American representatives, helped draft the European statements of principles which would be used to pressure their respective governments to implement taxpayer protection.

Jason Kenney addressing the TAI conference.

The second day of the conference focused on the looming disaster of government social insurance schemes (e.g. the Canada Pension Plan), which pose a huge fiscal threat to every welfare state economy. Several fascinating presentations were made about reforming these programs by such leading international economists as Dr. Richard Vedder of Ohio University (whose research we have published), and Dr. Eamon Butler, president of the London-based Adam Smith Institute. All TAI member groups agreed to create an ongoing international exchange of research and advocacy strategies on the reform of public pension systems.

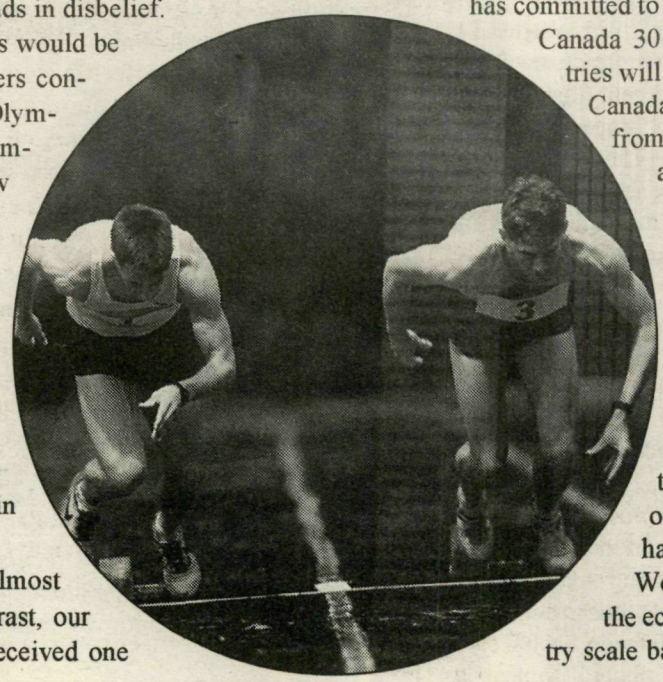
The final day of the conference focused on fiscal trends of the countries represented, and on the internal structure and the political / educational strategies of the various member groups. As a result of this session, it was clear that the CTF is one of the most politically successful taxpayer groups in the world, particularly given our brief history. The conference hosts publicly recognized this by presenting the CTF with an award of distinction - the only one given to a member organization.

At the conclusion of the conference, CTF President Kenney was elected to represent the CTF on the TAI board, and the CTF was also asked to consider hosting the next TAI bi-annual conference in Vancouver in June of 1998. ■

Politics and sports don't mix!

By V. Joy Schmit

Enter the surreal world where politicians live. It is one where financial decisions are made that leave average Canadians shaking their heads in disbelief.



Relatively few Canadians would be alarmed at learning taxpayers contributed $615,000 to send Olympic athletes to Atlanta last summer. But, more than a few heads would be turned if it became common knowledge that our federal government will be spending $2.4 million to send 220 French-speaking athletes, coaches and support staff to attend the Francophone Games in Madagascar in 1997.

That works out to almost $12,000 each. In direct contrast, our Olympic contingent only received one tenth of that or approximately $1,200 a piece.

The little known event is designed to showcase athletes and artists from French-speaking countries. France has committed to pay 60 percent of the cost, Canada 30 percent, and other countries will fill in the other 10 percent. Canada has budgeted $1.2 million from the Heritage department, and a further $1.2 million from the Foreign Affairs and CIDA budgets to pay for its share of the games. These numbers are only an estimate and could go higher.

Fortunately, according to a Canadian Press story, the World Bank stepped in or Canada's share could have been $4.3 million. The World Bank apparently made the economically unstable country scale back its originally proposed games. The same story also said the first two Francophone games were riddled with organizational trouble. In addition, according to reports the Canadian soccer team that won the gold medal at the Francophone games in Morocco had only one French speaking player!

In an editorial on the Madagascar Games, columnist Dianne Francis highlighted the fact that in the past year, France has sent three political leaders to Canada in support of Quebec's separation. She said, "To underscore the fact that France should butt out of Canada's internal affairs, Ottawa should completely withdraw any financial support for France's games." Well put.

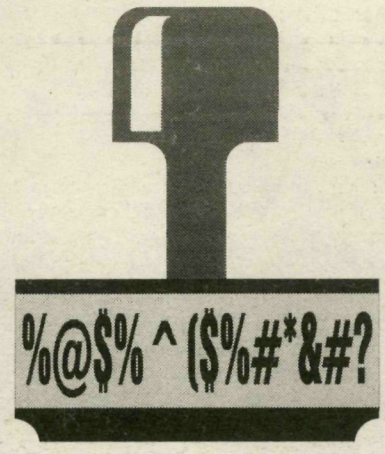
In any event, however, it is simply money the Canadian government doesn't have. Several sporting organizations have seen all federal funding eliminated in this year's federal budget, as has the Commonwealth Games Office and the Canadian Sports Hall of Fame.

When we can't afford to look after what we have at home, it is certainly questionable why our federal government would force all Canadians to pay for someone else's event outside our borders.■

Rubber stamped waste

In case you think that Canada is the only country with a crazy bureaucracy, think again. An article by Paul Martin out of the Saskatoon Star Phoenix shows that the US has problems too.

Wes Howard is a businessman from Colorado. On the top of his desk, he has a rubber stamp which simply says, "bullshit." These words are stamped across any document that crosses his desk for which he feels the words apply. Government documents and forms automatically fit the bill.

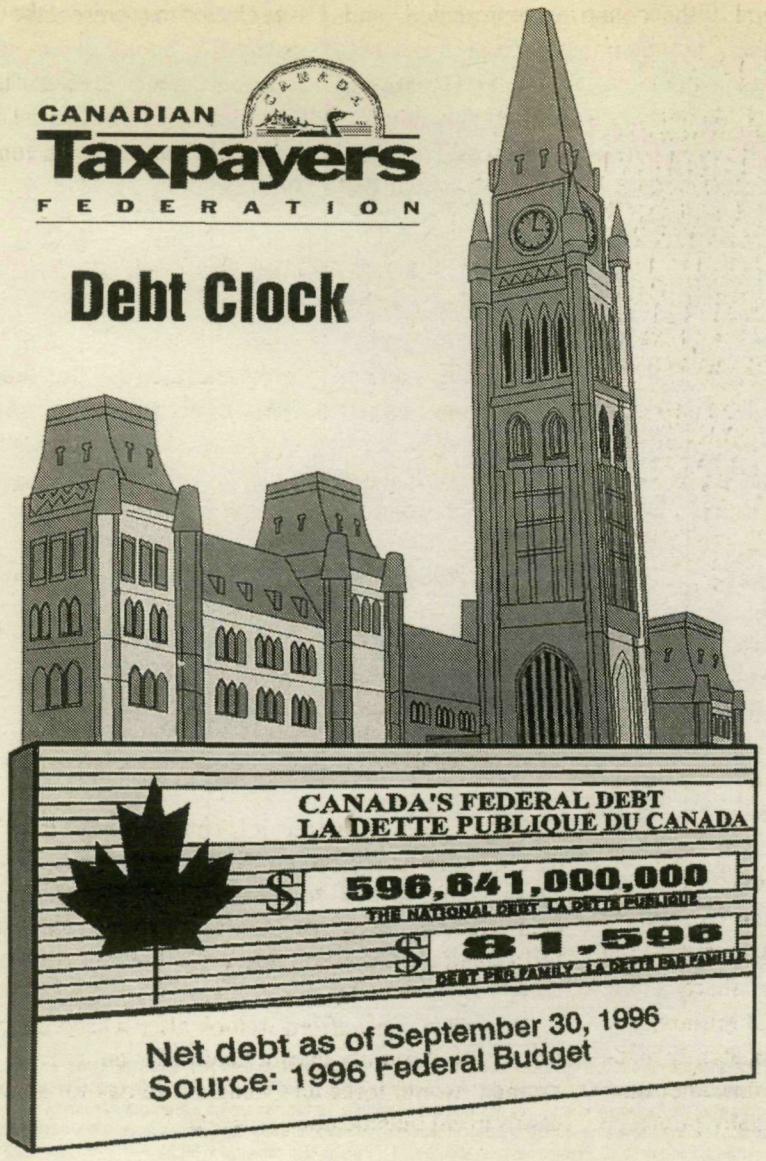


Part of the reason for Howard's repulsion comes from a request by a government agency to purchase six dog combs from his mail-order pet supply business.

Since Howard's business was the only supplier of this particular comb in the U.S., the order was given directly to his company without putting it out for quotes. However, as a sole supplier, he would be required to fill out a contract nearly an inch thick. Since it simply wasn't worth his time for a $3.97 comb, Howard told the government to go elsewhere.

The agency replied that this simply wasn't possible and needed his company to supply the dog combs. So Howard told the agency he would provide the dog combs for $197 each plus a $15 red tape charge for all the paper work. Or, he suggested, they could buy the combs from his mail-order catalogue for $3.97 each. Of course, you don't have to be a rocket scientist to guess which order the bureaucrats went with. Instead of paying $24 they paid $1200.

Yes, this contract got Howard's personal stamp of approval as well.■

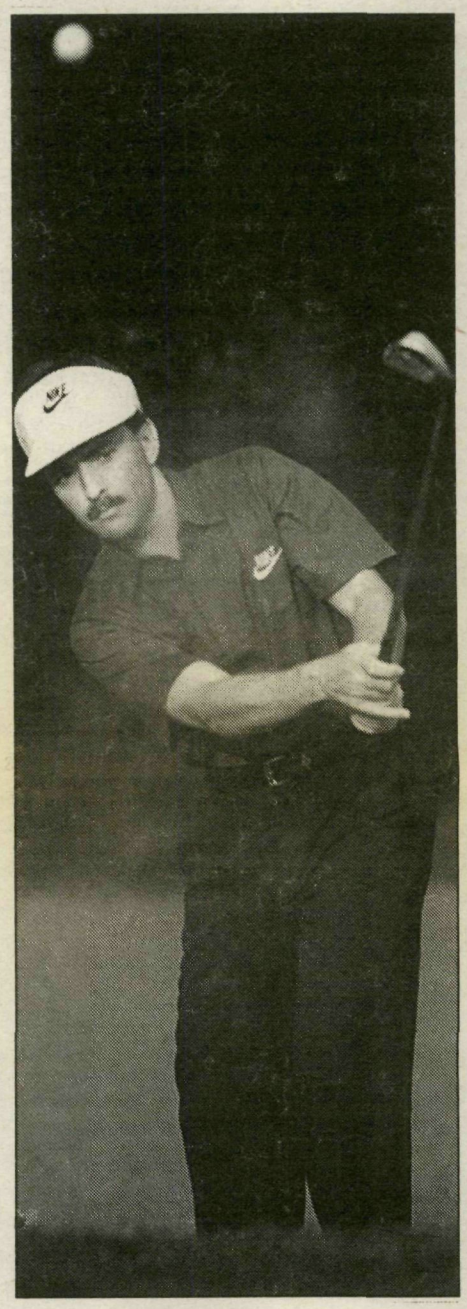


Guest column

Your taxes - Tax man's reach more than fiscal

by Arthur Drache

Much of modern taxation is based on attempts by government to dictate economic and social behaviour. Tax incentives are designed to encourage certain types of investment, certain types of saving methods and, indeed, try to determine what types of organizations should get preference when it comes to donations.



Indeed it is arguable that trying to modify taxpayer behaviour is almost as important to governments as raising revenue. But tax provisions also drive individuals to adopt habits that were unintended by government.

For example, in how many Canadian offices do colleagues buy muffins or other snacks together so that the food is treated as groceries rather than meals, and thus escape the GST? This is a form of unintended behavioural modification driven by the tax system.

Similarly, we can assume that most physicians make hospital rounds in the morning on the way to their offices and again in the late afternoon because their accountants suggested this routine.

Why? Simply because if the doctor drives home to office and then to the hospital, the home-to-office leg is not considered to be business driving for tax purposes, while the home-hospital-office route is all for professional purposes and thus is tax deductible.

The same is true for the return trip; making the hospital stop on the way to the office and on the way home means all the driving in question is tax deductible. Many other business people and professionals adopt the same approach to maximize business driving.

An item by Dan Jakubowicz of the Toronto office of accounting firm KPMG in *Canadian Tax Highlights*, a Canadian Tax Foundation publication, discussed a Revenue Canada ruling that came in the wake of a case known as the Ste-Mac decision several years ago. The case dealt with the prohibition on deducting expenses for use of a yacht, a camp, a lodge or a golf course. The tax department ruled this prohibition applied, even when the taxpayer didn't own the facility.

A major implication of that case was that a meal purchased at a golf club - even if it was clearly a business meeting - would not be deductible even though the same meal, if it were taken at a restaurant, would qualify for a 50% deduction.

Jakubowicz pointed out that Revenue Canada has clarified its position. It now says if the meal is eaten at the golf club "in conjunction with" a game of golf (before, after or during) there will be no deduction allowed.

But if one simply goes to the club to eat and doesn't play a round of golf, the meal will be treated as though it had been consumed in a regular restaurant. Jakubowicz speculates - rightly in our view - that tax-wise people will play their game and then eat elsewhere. That's hardly a level playing field for golf club and dining facilities.

If this, in fact, occurs, it will in all likelihood create another case of income-tax driven behavioural modification in terms of eating habits, where the socialization is all part of doing business.

It is worth noting that behavioural modification based on taxation is not limited to Canada or North America and is not limited to reactions to income tax. In Europe, designs of old buildings show the extent to which various forms of taxation resulted in architectural modifications. These are the product of how real estate was taxed in days gone by.

As long as taxation exists, taxpayers will tailor their actions to reduce tax burdens. This, of course, is relied upon by governments and is a reason most of them would be unhappy with the concept of flat tax, since such a tax severely limits the ability of government to use the tax system for behavioural modification. ■

Arthur Drache is a partner in the Ottawa law firm of Drache, Burke-Robertson & Buchmayer. Used by permission of the Financial Post.

Severance payouts to politicians

By Dean Smith

The word "severance" usually comes as a severe blow to the average hard working citizen. It means the termination of a job, and realistically, in this economic climate, no one wants to be looking for work.

But, severance doesn't mean quite the same thing in the political arena.

For our politicians in the great true North, a study of benefits shows that only those in the North West Territories and those serving in the Senate don't receive a taxpayer funded severance.

One of the biggest abuses of political severances is that politicians in Alberta, Ontario, Quebec, New Brunswick, PEI, Nova Scotia, Newfoundland and the Yukon can collect it even if they decide to quit or retire on their own volition. This means they could be going to a better paying job but will still receive a severance. What makes this particularly hard to swallow is that in addition to their severance, taxpayers will likely be footing the bill, as well, for a costly by-election caused by their departure.

Perhaps one of the best examples of this type of abuse happened earlier this year. In March, Nick Taylor

was appointed by the Chretien government to the Senate, a cushy $64,400 a year, part-time job. Before taking this position, Taylor resigned as a Liberal MLA in the Alberta Legislature and received a $48,000 severance.

To be fair, New Brunswick does pay a smaller severance if a member resigns under their own volition. If a member quits or retires, only Saskatchewan, B.C., Manitoba and the House of Commons will not pay a severance.

All jurisdictions pay a severance if the politician is defeated during an election. Many would argue that in such instances these politicians are in fact being fired, which in the real world would make them ineligible for a severance. This may be the reason why a number of provinces don't refer to this payout as severance. Alberta and New Brunswick call it a "Re-establishment Allowance," Saskatchewan, Manitoba and Quebec refer to it as a "Transition Allowance," and Ontario calls it "Separation Pay."

A number of provinces have introduced a feature which allows their politicians to collect a severance not

Continued on following page

Severance allowances for provincial and federal politicians

Source: Federal and provincial governments

Province	The severance formula	Based on the following			Severance range min-max [4]	Receives severance if he quits or retires	Receives severance if not re-elected	Receive both severance & *pension*
		Basic MLA salary	Tax-free Expense Allowance	Other salaries, premier, etc [3]				
British Columbia	Receive 50% of annual indemnity up to 6 years of service plus an additional 1/12 of annual indemnity for each year of service after six years to a maximum of 12 years.	$32,812	No	Yes	$16,406 - $77,812	No [6]	Yes	NA [10]
Alberta	One month's indemnity and expenses allowance multiplied by years of service or partial years service. Minimum six months, maximum 12 months.	$36,420	$18,210	No	$27,315 - $54,630	Yes	Yes	NA [10]
Saskatchewan	Receive one month's basic indemnity for each year of service to a maximum of four months.	$55,000	No	No	$4,583 - $18,333	No	Yes [7]	Yes [1, 11]
Manitoba	Members first elected before April 25, 1995, one month's indemnity for each year of service. Minimum 3 months, maximum lifetime 12 months.	$57,065	No	No	$14,266 - $57,065	Yes	Yes	Yes [11]
	Members first elected after April 25, 1995 can receive one month's basic indemnity for each year of service. Minimum one month, lifetime maximum 6 months.	$57,065	No	No	$4,755 - $19,022	No	Yes	Yes [11]
Ontario	Members entitled to receive a severance allowance equal to one month's salary per year of service. Minimum six months, maximum 12 months.	$78,007	No	No	$39,003 - $78,007	Yes	Yes	Yes
Quebec	Entitled to receive twice the members monthly salary for each complete year or fraction of year of service. Minimum four times monthly salary to maximum 12 times monthly salary.	$63,469	No	Yes	$21,156 - $130,111	Yes	Yes	Yes [2]
New Brunswick	Members who are defeated or decide not seek re-election when the assembly is dissolved are eligible for 1/8 of person's annual indemnity for each session or portion of session up to a maximum of 8 sessions. [8]	$36,485	No	No	$4,560 - $36,485	N/A	Yes	No
	Members who quit or retire during their tenure in office will be eligible for 1/16 of individual's annual indemnity for each session or portion of a session up to a maximum of 8 sessions. [8, 5]	$36,485	No	No	$2,280 - $18,243	Yes	N/A	No
PEI	Member is eligible for 1/12 of one year's remuneration including basic MLA indemnity, tax-free allowance and any other salaries for each year of service. Cannot exceed one year's basic indemnity plus expense allowance.	$30,044	$9,105	Yes	$3,262 - $84,402	Yes	Yes	Yes
Nova Scotia	Based on 4.4% times number of years of service times basic MLA indemnity and tax-free allowance to a maximum of 25% of the total of basic indemnity and tax-free allowance.	$29,226	$14,613	No	$1,929 - $10,960	Yes	Yes	Yes
Newfoundland	Must have served at least 7 years to qualify for a severance. Receive 5% of basic indemnity & tax-free allowance for each year of service. Maximum 10 years.	$38,028	$19,014	No	0 - $28,521	Yes	Yes	Yes
Yukon	Receives 25% of basic indemnity, expenses allowance and other salaries for one year.	$31,202	$13,622 - 15,601	Yes	$11,206 - $18,944	Yes	Yes	Yes
NWT	No severance							
House of Commons	The equivalent of 50% of Member's annual sessional allowance & additional salaries at time of retirement.	$64,400	No	Yes	$32,200 - $67,160	No [9]	Yes	No
Senate	No severance							

1. Will not receive severance if eligible for a pension within 4 months of leaving office. 2. Pension can only start once the number of individual months represented by the severance has run out. 3. If MLAs can receive severance for other salaries we used the highest other salary — the position of Premier. 4. Minimum severance based on one year of service & minimum salary. The maximum amount is based upon maximum number of years and the maximum salary. If applicable for other salaries, this calculation includes the Premier's salary which represents the highest "other" salary. 5. Members who have quit or retired due to poor health can claim the higher rate noted above. 6. The member can only receive a severance if he retires or quits when the Parliament is in session due to illness or infirmity. He can also receive a severance if he quits or retires for any reason during an election campaign. 7. Can only receive severance if defeated during an election campaign. If MLA loses nomination meeting prior to campaign, he won't receive a severance. 8. New Brunswick uses sessions instead of years. Each session represents a sitting of the Legislature. Normally there is only one session in each year. 9. MPs can receive a severance if they resign due to illness or resign during an election period following dissolution of Parliament. 10. Pension has been abolished. 11. Pension plan converted to RRSP.

Severance pay to politicians continued from previous page

only on their salaries but their tax-free allowances as well. These provinces include Alberta, PEI, Nova Scotia, Newfoundland, and the Yukon. The tax-free allowance is paid to MLAs to help them pay for extra expenses associated with their position. On one hand they call it a tax-free allowance to avoid paying taxes, then on the other hand they treat it as a salary in order to collect their severance. It seems to be little more than a tax evasion scheme.

In the Yukon, Newfoundland, PEI, Quebec, Saskatchewan, Manitoba and Ontario, members can receive a severance even if they are eligible for a pension. In Saskatchewan, Manitoba and Ontario politicians receive a RRSP which means there is no additional subsidy to the pension other than the yearly contributions to the plan by the respective governments which is matched by the politician. However, in the other jurisdictions, they can receive a severance in addition to their heavily subsidized pension.

Perhaps the most interesting severance provision is found in Alberta where MLAs can collect a double severance. The Member's handbook states MLAs are allowed to collect severance based on past years service, "whether continuously or in separate periods." This means that if a MLA works for four years and quits he can collect the severance for those four years. If three years later he decides to run again, and sits in the legislature another two years and then quits again, this time he will receive a severance not only for the last two years, but for the previous four as well. In other words, for the first four years he will collect a second severance. In fact, a further provision states that the severance will be based on the "highest level" of pay, meaning that the second severance payout for the previous four years will probably be higher than the payment that was received the first time around.

Most provinces pay their severance based on the equivalent of one month's remuneration for each year of service. Quebec, however, pays two months, but like all provinces, caps the total amount at 12. New Brunswick pays slightly higher basing its severance on 150% of the member's monthly remuneration. Nova Scotia only pays 4.4% of their salary to a maximum of 25% of one year's salary.

Quebec politicians can receive the best severance package with a payout reaching as high as $130,111. This is due largely to the fact that MLAs there receive severance based on additional salaries such as for Premier and Cabinet Minister. Most jurisdictions only pay a severance on the basic MLA salary.

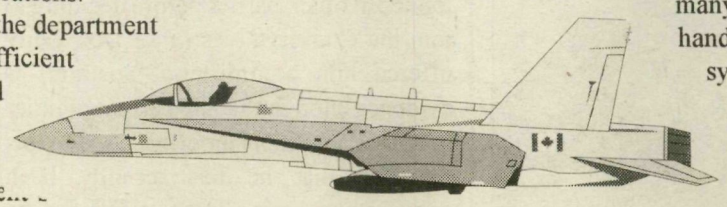
The second highest occurs in PEI, where MLAs can collect as much as $84,402 in severance which is based on their basic MLA salary, their tax-free allowance and additional salaries. Since this province of only 170,000 can't pay for its own legislature their severances are subsidized by the rest of Canada.

At the other end of the scale, the lowest severance belongs to Nova Scotia which pays a maximum of only $10,960. Newfoundland is an honourable mention because although the highest severance paid is $28,521, many members will not receive a severance at all since they must serve at least seven years to qualify for one. ■

Waste at the Department of National Defence

There are millions of dollars in savings to be made at the Department of National Defence, and it will only involve cleaning up operations.

An internal audit of the department has revealed an inefficient payroll system and needless overtime are an unnecessary drain on the departme... finances.



For example, the Audit stated that it costs the department $31 to get a paycheque into the hands of a soldier, which is almost double what it costs an average private-sector firm, and 15 times greater than that of world-class large organizations.

The Audit states the reasons for the inefficiency are that the department doesn't have a centralized system, but rather has dozens of small pay offices and an out-dated computer system, which requires many tasks to be done by hand. An overhaul of the system could save $26 million, according t the report.

Further, overtime costs for civilian employees costs $20 million annually, a number which the Audit says could be substantially reduced. "Most overtime is structural - that is caused by questionable administrative practices rather than by less controllable factors such as increases in workload or a lack of resources. ■

Only in Canada eh...

By V. Joy Schmit

Only in Canada would you see patriotism turned into a government-run social program. Visitors to south of the border can bear witness to the sight of our flag-waving American neighbours.

It invokes a feeling of warmth to see someone passionate enough about their roots to express it by proudly displaying their national flag.

It's no different in Canada, where the government just can't seem to stay out of a good thing. Heritage Minister Sheila Copps was looking for a way to shine her tarnished reputation after the GST debacle. Her solution was to appeal to our patriotic side - and as Minster in charge of Heritage Canada, it was certainly within her grasp. How? By giving out 1 million "free" Canadian flags to anyone who wanted one. To follow up, she mailed all participants a multicoloured certificate and letter of thanks.

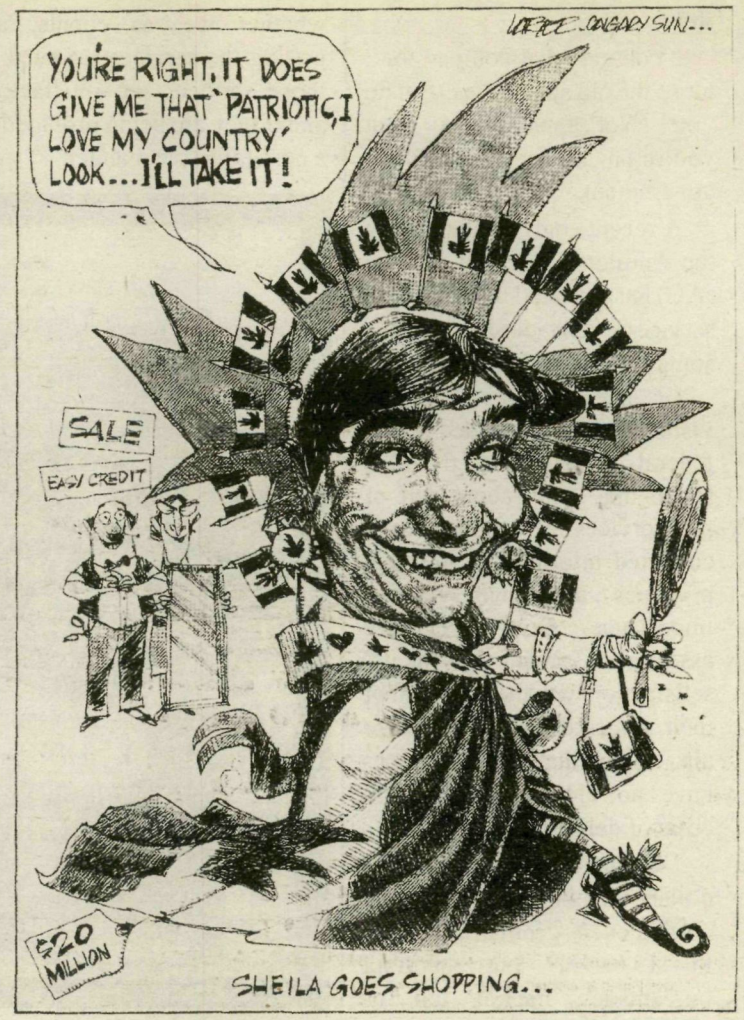
The cost for this exercise is estimated to be $23 million. For what? A million flags, a 1-888 line, staff, two mailings, printings and who knows what else. The large flags retail at Wal-mart for $14.97. Even with taxes, that's considerably less than the $23 a piece taxpaying Canadians have been stuck with. And, knowing how government departments operate, that's likely a gross understatement.

The biggest insult to Canadians however, is the fact this might just be another price we're paying for the instability in Quebec. According to the Saskatoon Star Phoenix, the flag promotion is the result of federal polling which indicated Quebecers have an attachment to the Maple Leaf. This may have fizzled though, since only 8% of the flag requests came from Quebec.

Worse yet, Copps never even had the money. Originally she said it would be paid for by the private sector. However, she only managed to pick up $280,000 worth of sponsorship. So she just tucked it onto her Heritage budget. According to figures released by a Reform MP, including this flag program, Copps has overspent her Department of Canadian Heritage budget by $159 million.

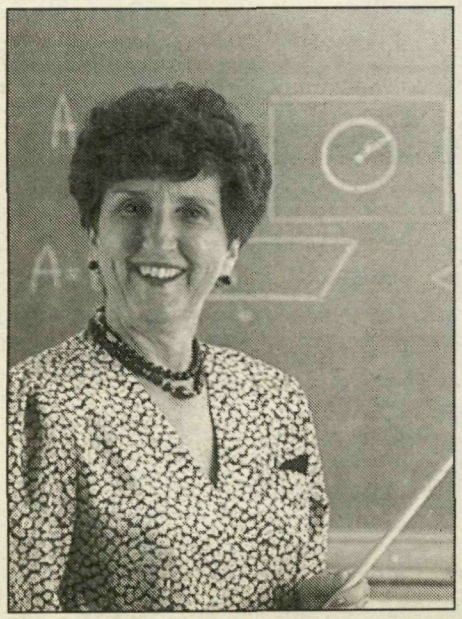
Perhaps Canadians don't express it as openly as our southern neighbours, but our love of country is there. We saw it when thousands of Canadians from coast to coast descended on Quebec on the eve of the referendum. That likely did far more to foster good French-English relations than a glitzy government sponsored give-away. Only a few weeks ago, we saw it when our national hockey team played the United States for the honour of being recognized the best in the world.

When we express our patriotism, it is spontaneous, passionate, and emotional. It's a real tragedy to see politicians trying to attach a price-tag to it. Patriotism simply isn't something that can be bought or given out as a "something for nothing."■



Klein far from perfect

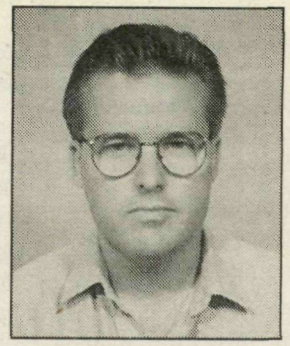
The Canadian Taxpayers Federation has been accused of raising people's blood pressure, and of being in bed with just about every political party in Canada at one time or another. When we exposed the waste of the federal Conservatives, we were accused of sleeping with the opposition Liberals and NDP. When we pat the provincial Conservatives in Alberta on the back for doing as they promised and bringing in a balanced budget, we're accused of bedding down with them.



Letting the senior bureaucrats make the cuts, is like having the fox guard the hen house. The only ones losing their jobs are the ones who do the actual work. Take the teachers for example....

All such accusations (except the one about the blood pressure) are completely untrue. The CTF is a non-partisan organization, and contrary to the accusations of our detractors, we sleep alone. In fact, our organization has repeatedly criticized the Klein administration when warranted, and many of our members have their doubts about the Alberta government's commitment to fiscal responsibility.

Mr. Klein's political credentials are, after all, shaky. The fact that he first looked at other parties before deciding to join the Conservatives (after Don Getty offered him a ministerial position) is evidence enough that the current premier may lack a political mooring. Add to this the fact that he has recently been encouraging the Prime Minister to embark on another infrastructure program before the next federal election. All an infrastructure program will ever do is create a few short term jobs for political gain and add to the debt. In many people's books, Mr. Klein fails in the area of fiscal responsibility.



By Jeff Willerton - *Jeff works as a membership representative for the CTF.*

As a membership representative for the CTF, I have also come across many people who have taken exception to the way Alberta's budget cuts have been made in various departments. In allowing bureaucrats a say in where the job cuts would take place, it was a given that the senior positions would remain secure. Those unfortunate enough to be on the lowest rung of the ladder (like the last 400 teachers hired in the Department of Education) would naturally be given their walking papers, adversely affecting the delivery of services because they are, by the nature of their position, closer to where the rubber meets the road.

As a precedent for positive and effective budget cuts, one need look no further than Air Canada. Prior to its privatization the then Crown corporation brought in an independent organization to study the company and make recommendations of where they could cut some "excess baggage." That company recommended the termination of almost 4,000 management positions. Air Canada carried out the recommendations and not even a ripple was felt in the service end of the operation. That same company later recommended cuts in the service end of the airline. The cuts were made, service was adversely affected and those who were laid off were brought back. It was in the management (or the bureaucracy) where the cuts could and needed to be made, and what was then true of that Crown corporation is today true today of government.

The Air Canada example illustrates the way cuts can be made with an eye toward efficiency. The Klein cuts, on the other hand, seem to have given little thought to ensuring the best service delivery possible. Add to this the administration's renewed interest in pork-barrel spending like a second infrastructure program and Albertans may once again find themselves back at square one. Let's work together to ensure it never happens.■

Getting what you pay for

By Mitch Gray

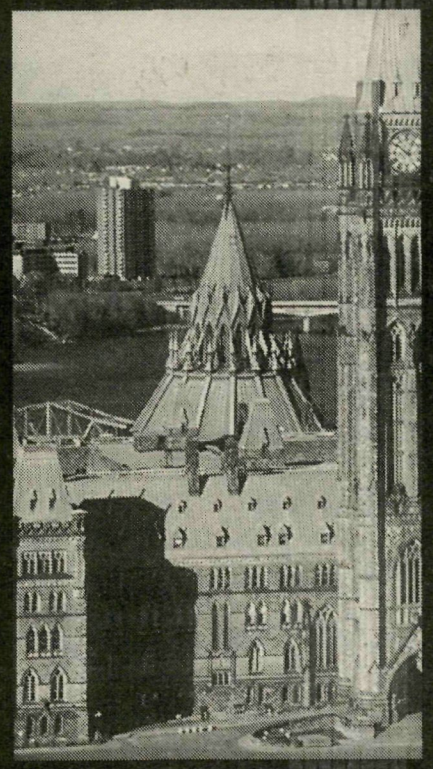
"You get what you pay for." Or so the old adage goes. But do you? Not, apparently, if what you're paying for is the federal government.

A recent study conducted by the Auditor General of Canada (AG) has revealed that Ottawa's service standards leave something to be desired.

In an audit of 13 highly visible services provided by the federal government, the AG found that "only about half of the services we audited have collected information on client priorities and their relative importance. Even fewer have assessed their clients' satisfaction with the way each of their priorities is served. We also found that many services have not determined the full costs of delivering service."

Despite the billions of tax dollars we pour into the federal coffers every year ($135 billion in 1996-97), our aberrant bureaucracy cannot tell us whether we, as clients, are getting the services we need, if those services are satisfactory and if they are being provided in a cost-effective manner.

How long would a private business survive if it didn't bother to find out if there's a market for its product or if it failed to measure customer satisfaction?



According to the Auditor General only half of the federal departments surveyed had bothered to find out if the services they were providing were really needed!!

Well, perhaps we don't need the government to keep track of these things. Pretty much anyone can assess the government's service delivery performance by simply picking up the phone.

As the AG points out, "in one department we found that during peak periods as many as 19 out of 20 calls receive a busy signal. Few departments check the accuracy rate of information that agents give to callers — one that has done so [Taxation] found that the accuracy rate falls between 60 and 80 percent."

If by some stroke of luck you manage to get through to the department you're calling, the chances of actually receiving a reliable answer to your question are about as good as Sheila Copps passing a lie detector test. You might have more success consulting a ouija board.

So just how is it that the average Canadian family forks over 46% of its income every year to a government that can't even answer its own phones? As the AG astutely points out, it boils down to bureaucratic culture. The surest way to improve service delivery "is to change the culture of the public service and make it more client-focused and results-oriented." Bravo!

Getting value for our tax dollars requires a concerted effort on the part of taxpayers to demand a change in Ottawa's culture of bureaucracy and an improvement in the quality of federal services.

We need to give our public servants the necessary tools and incentives to get the job done. We need to make senior officials accountable for implementing high service standards. And we need to fire the politicians that have given us such poor levels of service as outlined by the Auditor General: because, while you may not always get what you pay for, you always get the government you deserve.■

Hiding in the Senate

Saskatchewan people are becoming increasingly cynical about politicians - and with good reason.

They've been witness to the embarrassing spectacle of former Conservative MLAs parading before the court, charged with the misappropriation of their communication allowances.

If that wasn't enough, the past few weeks and the testimony coming from the latest trial would certainly have almost any taxpayer wondering what they were paying for during the decade of Tory rule in Saskatchewan. Stories emerged about secret bank accounts and money transferred from Caucus to party with little or no accountability. How many Saskatchewan people wouldn't rightly feel they deserve a refund on the taxes paid during that period?

A particularly disturbing incident occurred at the trial which brings into question the accountability of all politicians. Senator Eric Berntson was a major player in Saskatchewan politics for almost twenty years - from MLA to cabinet minister to Senator.

Unfortunately, it appeared Berntson was reluctant to appear in court as a defence witness. All his former colleagues, subpoenaed to testify, appeared, and many at their own costs. However, the former Deputy Premier was a little harder to find.

A subpoena issued for Senator Berntson to testify expired when servers weren't able to locate him. One of the parliamentary privileges enjoyed by the ex-deputy premier, is that he can't be served a subpoena while on Parliament Hill. Then Berntson's lawyer sent a letter stating the Senator isn't legally required to testify when the Senate is sitting or for 40 days before or after - leaving most Saskatchewan people, including the judge presiding over the trial, to believe Berntson would invoke parliamentary privilege to avoid testifying.

Public outrage ensued and in a recent open letter to the people of Saskatchewan in major daily newspapers, the Senator is now claiming he had no such intentions - that the letter was sent as information only. He has announced he has been served a subpoena and will be testifying.

Senator Eric Berntson, where are you?

However innocent the motive behind his actions may have been, Berntson's antics fuelled the already unhappy mood of Saskatchewan people. They are angry at a system that allows such an obvious abuse of the money they work so hard to give to government. They are even angrier about laws that allow politicians to avoid performing legal duties when other Canadians have no such option.

If Berntson had decided to use parliamentary privilege, he wouldn't have been alone. Both former BC premier and NDP MP Dave Barret and Liberal MP David Kilgour have used the privilege to avoid testifying in a courtroom.

It is Berntson, at a personal level, who has been the focus of attention. However, by just focussing on his actions, we are ignoring the real issue which is a system badly in need of revamping. Elected officials at any level shouldn't have privileges above those of other Canadians. ■

Bill C-214: Calling for accountability

By Dr. Mark Lee

Common sense seems to be a rare commodity in this day and age, especially in the hallowed halls of our various parliamentary institutions. When it is seen amongst our elected officials it is like a breath of fresh air. Such is the case with a Private Member's Bill introduced in Parliament by Liberal MP Alex Shepherd.

Shepherd is the Member of Parliament for Durham, an area around Oshawa, Ontario. His Bill will require any new government program to estimate the annual cost for each of the first five years of the program. The Minister responsible must give the total cost for the program over the five year period, and the cost per capita for every resident of Canada.

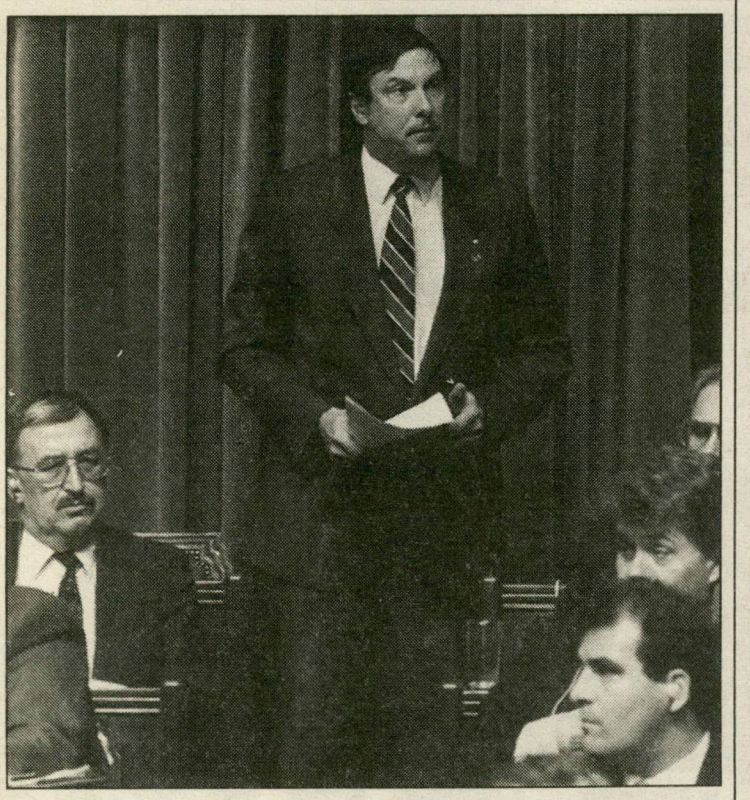
While fudging program costs seems to be an art form in Ottawa, Shepherd is trying to have such dipsy-doodling eliminated by having the Auditor General of Canada review the estimated cost of the program. If the Auditor differs in his estimate, he is to make his findings public in the *Canada Gazette*, a letter is to be sent to every Member of Parliament, and a statement is to be made to the media. The Bill would also require the Minister responsible for the program to clearly and publicly display the costs of the program at every place in Canada where the program is delivered, and on every document sent to those who benefit from the program.

While it is a valiant first step, there are a few pit-falls to this Bill. First, while the ministers responsible must state the costs of the program, there is no provision for a return on investment calculation, or a cost-benefits analysis.

Second, the Bill could be strengthened considerably by adding a clause that after five years the program must be reviewed to determine its continued viability. Or better yet, a program should automatically cancel after five years, and the minister must justify its continued existence through a cost-benefits analysis.

Third, the Bill only pertains to <u>new</u> programs. Expanding the Bill to include a cost analysis for all existing programs would eliminate wasteful government spending, and lower our tax burden in the process.

Bringing some accountability back to the parliamentary system is an issue that crosses party lines, and Mr. Shepherd's Bill deserves the full consideration of all Members of Parliament. ■



Shepherd's Bill puts the interests of taxpayers ahead of the bureaucracy.

Taxing the dead

It seems there are those looking to eliminate the last known way to finally be free from taxes.

The dead, in Colma, California are being eyed up for a cemetery tax of $5 a grave, every year, for eternity.

Although it might be hard to accurately compute, some are estimating the average cost of a burial could double to as much as $6,000.

A retired cab driver from Colma, just outside San Francisco, has started a citizen's initiative. He says it's time the dead started paying their way in the community where the dead outnumber the living 1,000 to one. Approximately one million people are buried in the town, and cemeteries take up approximately three quarters of its 5.7 square kilometres. If passed, the "death" tax is estimated to raise $500 million, which would go towards paying for police, fire and other town services.

Even if the petition drive is successful, and the tax is put on the ballot next year, it is unlikely anything would come of it. As it is currently written, the state law protects cemeteries from assessments, so such a tax would be illegal.

However, if governments get wind of the idea, they may see another cash cow in the making.■

World Champions!

By Dean Smith

According to a study by the Organization for Economic Cooperation and Development (OECD), Canada has the highest property taxes in the world.

In fact, property taxes in Canada account for 4.1% of GDP. The United States at 3.3% is the second place finisher.

What is particularly disturbing is that the OECD study also factored in wealth taxes. Since Canada doesn't have these, it then makes the actual burden of property taxes in this country that much more significant. Further, while the U.S. number is correspondingly high compared to Canada's, the American government relies quite heavily on property taxes for revenue since many states don't have income taxes or sales taxes.

Studies like these have many Canadians starting to question how much government we really need, and such findings beget many questions. For instance, who pays the highest residential property taxes in Canada?

When trying to arrive at an answer there are a number of ways to compare property taxes by province.

One way is by comparing the actual property tax load each family pays. For example, each year the Fraser Institute calculates the property tax load for each family with two or more persons by province. Using this method, the province with the highest property taxes in 1996 was Ontario which came in at $2,600. B.C. finished second at $1,910, while Saskatchewan and Quebec tied for third at $1,814. The lowest tax burden was in Newfoundland at $924.

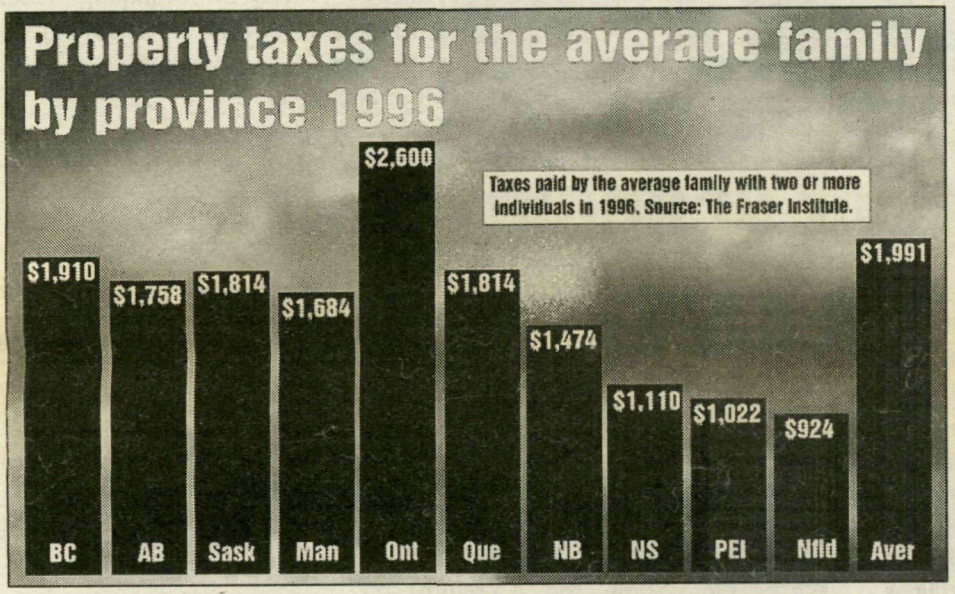
But, since the actual burden of property taxes can vary from province to province depending on how much money each family makes, another option is to look at property taxes as a percentage of income. Again, using the Fraser Institute's study, calculating the three provinces with the highest property taxes as a percentage of income changes things a bit. Ontario still has the highest tax burden with 4.3% of the average income going to pay property taxes. Quebec comes in second at 3.6%, and Saskatchewan places third at 3.4%.

A third way of looking at property taxes is to compare how much tax is paid compared to the actual value of the property. A Royal LePage study compares property values and tax rates for selected cities in each province. From this comparison it is possible to determine property taxes as a percentage of the value of the property.

In this study, Royal LePage compares homes of equal size and amenities in equivalent neighbourhoods and classifies seven different housing types. To use an example, we will look at the tax rates based on an average 1200 square foot detached bungalow with a one car garage and unfinished basement in an average neighbourhood. Depending on the housing market, the value of these homes fluctuate from city to city. Nevertheless, a comparison of how much tax they pay as a percentage of the value gives a look at the impact of property taxes. In such a comparison, the highest taxes went to Gatineau, Quebec at 2.75%, Winnipeg came in second at 2.71%, and Regina finished third at 2.41%.

A look at the top ten cities reveals that four are from Quebec, three are from Saskatchewan, while Manitoba and Ontario have one each.

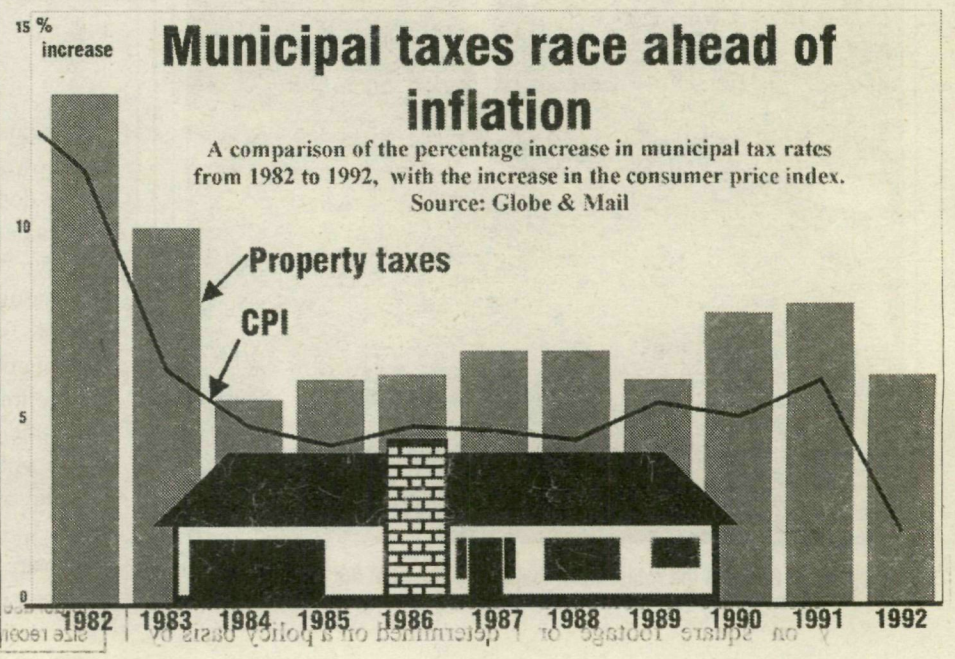
Three provinces consistently show up in all three comparisons — Quebec, Saskatchewan and Ontario. With Canada having the highest residential property taxes in the world, then, based on this unofficial study, Ontario may well be the property tax champion of the world, with Saskatchewan and Quebec running a close second.■



Cities with highest residential property taxes as % of selling price

Source: Royal LePage, October 1995 "*Survey of Canadian House Prices*" (selected cities) Based on the market value of a 1,200 sq. ft. detached 3 bedroom bungalow with full basement but no rec room or fireplace, one and a half baths, and a one car-garage in an average neighbourhood.

City	Price of home	Estimated taxes	Taxes as % of selling price
1. Gatineau, Que	$91,000	$2,500	2.75%
2. Winnipeg, Man (area average)	100,688	2,728	2.71%
3. Regina, Sask	99,250	2,395	2.41%
4. Quebec City, Que (area average)	102,500	2,313	2.26%
5. Aylmer, Que	108,000	2,400	2.22%
6. Moose Jaw, Sask	74,500	1,650	2.21%
7. North Battleford, Sask	75,000	1,650	2.20%
8. Hull, Que	110,000	2,400	2.18%
9. St. Catharine, Ont.	107,000	2,300	2.15%
10. Cowanville/Bromont/Lac-Brome , Que	72,000	1,500	2.08%



The history of property taxation

By Dean Smith

The history of taxation has been a continual struggle between the tax collector and the taxpayer. It was Jean Baptiste Colbert (1619-83), a senior statesman under Louis XIV of France, who quipped, "The art of taxation consists of plucking the goose to obtain the largest possible amount of feathers with the least amount of hissing."

A brief look at the history of taxation shows the lengths governments have gone to in order to "pluck the goose," and the corresponding "hissing."

It appears the Greeks (in 2nd century B.C.) may have invented property tax. Up to that time, most taxation was based on income, i.e. the size of the harvest. However, it was difficult to accurately determine the size of the crop, so the Greeks instituted a 10% harvest tax based on the average size of the crop. This eventually evolved into a fixed tax not affected by the actual size of the harvest.

It was the reign of Augustus the Roman Caesar that ushered in what we understand as property tax today. At that time it was based more on the size of the property than its ability to raise revenue.

But under Diocletian (243-313 AD), property taxes became abusive. In Syria, land was taxed according to size and productivity. If their farms were classified too high, many farmers simply abandoned them. To prevent this, Diocletian ordered farmers and their children bound to the land forever. And, by the 4th century, tax assessors were forcing neighbouring farmers to take over any abandoned land and its resulting tax burden.

Abusive taxes at that time, no different than today, led to tax avoidance. Farmers began turning their property over to large landowners who were able to better fend off the tax assessors through bribes and political patronage. The peasants could still live in their homes and make a better living farming the land for its new owner than for the government. Alarmed by the corresponding declining tax revenues, the Romans passed laws forbidding farmers from selling themselves into servitude.

Unfortunately, the Romans had a very effective tax collecting machine - their army. Racks and scourges were used to force tax payment, and at times families had to sell their children into slavery and even prostitution just to pay the tax bill. The only choice left to many was to flee the oppression, and of the farmers who remained, thousands would starve to death when hit with crop failures, because what little produce they had went to the government.

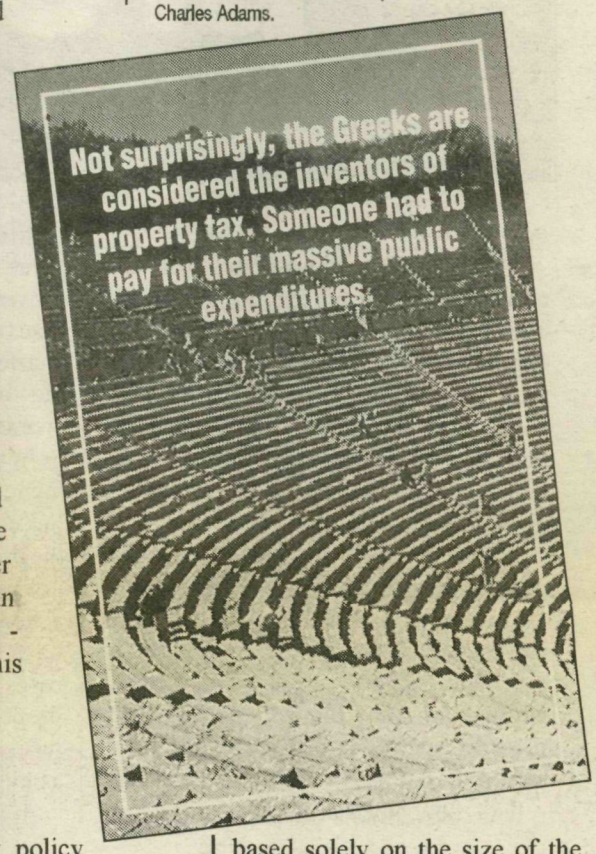
Taxation may actually have been the cause of the fall of the Roman Empire, since. These farmers not only provided food and taxes, but were also a source of soldiers for the Roman war machine.

By the middle ages, the despots of Europe had the same desire for revenues and were implementing many of the Roman taxes but without the Roman finesse for collection. This led to the development of some unusual situations. There are stories of kings turning people they didn't like into tax collectors with the understanding they would probably be killed. Tax collecting was a dangerous business, a far cry from the days of the Romans.

During the Middle Ages the taxation of property took many unique turns. In Russia, ploughed land was taxed, which proved to be a disincentive to work it. Homes were also taxed, but peasants began building duplexes and triplexes to avoid the tax, which resulted in the Russians going to a door tax, which in turn caused the peasants to board up all the doors but one. Fortunately, Peter the Great, the infamous Russian Czar who ruled between 1682 - 1725, understood the futility of this tax as the peasants were spending more time trying to avoid the tax by building and rebuilding homes than increasing productivity, so he scrapped the tax.

Taxation and freedom seem to have an unstable co-existence. In fact, history has shown that as tax rates become more oppressive, the more it seems industrious people are forced into servitude for an increasingly voracious government appetite.■

Source: "For Good and Evil" by Charles Adams.



Different types of assessment systems

By Paul Pagnuelo

When it comes to property taxes, on casual observation, it might seem there is little consistency. However, there are certain standards used worldwide.

In light of the way Canada's municipal governments are undertaking new taxation methods, much can be learned by looking elsewhere.

"Ad Valorem" is the assessment standard of most property tax systems. Simply put, the assessment base is tied, to some extent, to the market value of the property. 'Ad Valorem' systems all assume a valid relationship exists between a property's market value and the amount of taxes each property should pay.

But there is one system which takes a very different approach. "Unit Assessment" (UA) uses the approach that all properties of similar size should be assessed the same. The assessment base is computed purely on square footage or metres. The type of neighbourhood or location, age, condition or use of the property don't alter the assessment but are factors that can be used in setting the tax rate.

Conversely, "Unit Value Assessment" (UVA), which is often confused with the UA system, starts out with the physical dimensions but then adjusts them by the factors mentioned as a proxy for arriving at a "market value" assessment.

Israel adopted UA for household and business properties because it wanted to keep its assessment system simple. The assessment is calculated using floor area and "improved" yard areas such as swimming pools and garages. Under the Israeli model of UA, the assessment only changes when there is an addition to, or demolition of, the measured area.

In Israel, local councils determine the tax rate per square metre with variations determined on a policy basis by location and type of building, reflecting their judgment of "ability to pay." Newer buildings and properties in wealthier areas pay higher taxes. Local tax rate structures are subject to review by the national government as a means of protecting the public from subjective tax policy decisions at the local level.

The Unit Assessment System, if it were to be considered for Canadian provinces, could be modified to allow for different combinations of building size and lot area. The amount of property tax to be paid could be based solely on the size of the building, or on both the building and lot size. Tax policy would be determined, not through the assessment base, but by differing tax rates, say for buildings versus land, with further variations for usage and location.

Israel uses the unit system in charging property taxes. Since properties of equal size receive basically the same services, each pays an equal amount of tax.

The debate about property tax reform should come down to the simple question of what is "fair" when it comes to sharing the costs of municipal government.

Is a "fair" system one where the assessment base is stable, equitable, understandable and efficient? Should "fair" mean apportioning the cost of government on the basis of the services a property receives? Or does it mean distributing the tax load on the basis of the worth of the property, or the occupant's ability to pay? Should a "fair" tax policy be determined through tax rates, the assessment base, or both?

Most importantly, it should answer the question: What is it that taxpayers want? ■

Appealing property taxes

By Dean Smith

When it comes to property taxes, you may believe you are paying too much. This observation often comes by comparing how much you pay in taxes with your neighbours and friends who have similar homes. With a good understanding of how the system works, you may successfully be able to launch an appeal.

Property tax is based on two components. The first is the mill rate or how many dollars the municipality wants to assess in taxes for every $1,000 in assessed property value. The second component is the relative value the city or town applies to a piece of property, although the assessed value may not reflect how much it is actually worth.

Municipalities arrive at the assessed value of property in different ways from province to province. However, in most cases the final assessed value of a home is affected by such factors as the size of the home, whether or not it has a swimming pool, garage, etc.

When appealing property tax, a homeowner can't challenge the mill rate but can challenge the assessed value of the property. This is because government assessors calculate the assessed value of a home based on the information they have received over the years. In most cases, they haven't even seen the property. Their information has been received over the years from such things as building permits.

It is possible they may have assessed too high of a value for a particular property. For example, a previous owner may have received a permit to renovate the property, but never actually did the work or the property was assessed based on the fact that it had two bedrooms in the basement which have since been demolished. When compared to other homes in the area, a house may actually be of lower quality although it appears similar. It may have fewer features, or perhaps it might be on a busy street and this may not have been properly accounted for in the valuation.

The mistake could even be as simple as the information being recorded incorrectly.

Essentially, the assessed value of a home comes down to the opinion of the city's appraiser and the information on file. If someone feels there is an irregularity, then it is important to look into it. There may, or may not, be a legitimate reason for the discrepancy.

Property owners have the right to check government records to determine how the appraised value was arrived at. However, it should be approached cautiously, just because an owner feels his property value is too high, doesn't mean it is. While it may be proved that property has been assessed incorrectly, it's also possible going through the assessment process may actually result in a higher assessment on the property. For instance certain changes may have been made to the property which the assessors weren't aware of. That's not to say the appeal won't be successful either.

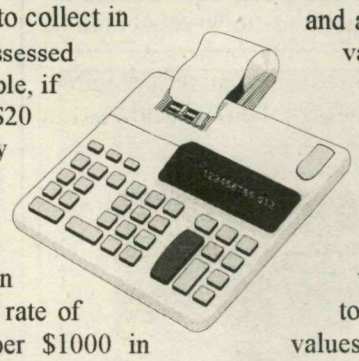
Low assessments may be granted based on other criteria. For instance, volunteer fire-fighters, war veterans, low income families, seniors and widows in some provinces can qualify for a lower assessment.

If a person does choose to make an appeal, it's important to realize that most tax assessors are not the enemy. All they want is to see citizens paying the taxes they should be. No more and no less. ■

Source: Realty World's *The Homeowner's Tax Fighter Guide*

Calculating property taxes

There are two factors used in determining property tax rates. The first part is the mill rate, which is set based on how much the city needs to collect in taxes for every $1,000 in assessed property value. For example, if the city needs to raise $20 million through property taxes and it has according to its records, property with a total assessed value of $1.5 billion, then the city would set a mill rate of 13.3 ($13.30 in taxes per $1000 in property value). Consequently, property worth $73,200 would pay a yearly tax bill of $973.56 (based on $13.30 X 73.2). Often municipalities will use a variety of mill rates for different types of property or apply other factors to lower or increase the tax bill, but with the intent of still arriving at the same total revenue figure.



The second part of the formula involves how the government arrives at the assessed value of property. This is not always a simple process. In Regina, they use a system based on the replacement cost of the home. They take half the value of what it would cost to build the home new in 1965 and add to that 30% of the value of the property on which the home sets in 1981. To this final figure they apply the mill rate.

On January 1, 1997 Saskatchewan will be changing over to 1994 replacement values for the homes.

Many provinces use Market Value Assessment in determining tax rates. The value of a home is generally looked at every three or four years. Under this system, increases in the value of a home due to inflation, demand and renovations can increase taxes. For this reason City Hall issues permits for improvements. This information is forwarded to the assessor's office which adjusts the value of a home. ■

tax-pāy-er ling-ō

Glossary of property tax terms - Provided courtesy of Realty World.

- Abatement: A reduction in the assessed value of the property.
- Appraisal: An assessor's opinion of the total value of the property and its improvements.
- Assessment: The official valuation of property used to determine the level of taxation.
- Assessor: One who gathers records, and evaluates property to determine a value for taxation purposes. Assessors do not determine tax rates or collect property taxes.
- Easement: The right to use, without ownership, a portion of an owner's property.
- Field Card: A record filled out by many assessors, that contains all relevant details about the property.
- Homeowner: Some who enjoys the rights and privileges of property ownership and is subject to paying taxes on the property.
- Improvement: Anything built or added to land to increase its value (home, garage, swimming pool, barn, etc.).
- Mass Appraisal: Determining the value of specific properties by comparing similar properties in a specific area and appraising all land and improvements together.
- Mill: One-tenth of a cent, a term used to express real estate tax rates. Mill rates are usually expressed in dollars per $1000 of assessed value.
- Tax Authority: Regional districts, hospitals and schools, and municipal and provincial governments set tax rates based on the total assessed land value. Property taxes are collected from owners to pay for these services.
- Tax Roll: An official list of all taxpayers in a jurisdiction, their assessed property values, and how much tax each owes.

Business property taxes

Business taxes are proving to be a hot potato for many city councils across Canada. The reason: many of the senior bureaucrats designing the tax system aren't familiar with the day-to-day realities of private business.

For example, few will have personally dealt with the pressure of meeting payroll or having to stick handle bills through a limited amount of cash. Even fewer will ever have had to wonder where the next dollar will be coming from, or how to deal with a new competitor coming to town.

Yet nevertheless these very same people are conning politicians and setting policy that directly affects the viability of businesses in their community. One of the clearest examples of how out of touch with the real world these bureaucrats are is to take a close look at business property taxes. These taxes can be extremely damaging because in most instances the rates are based on the size and value of the property and have nothing to do with whether or not the business is making money.

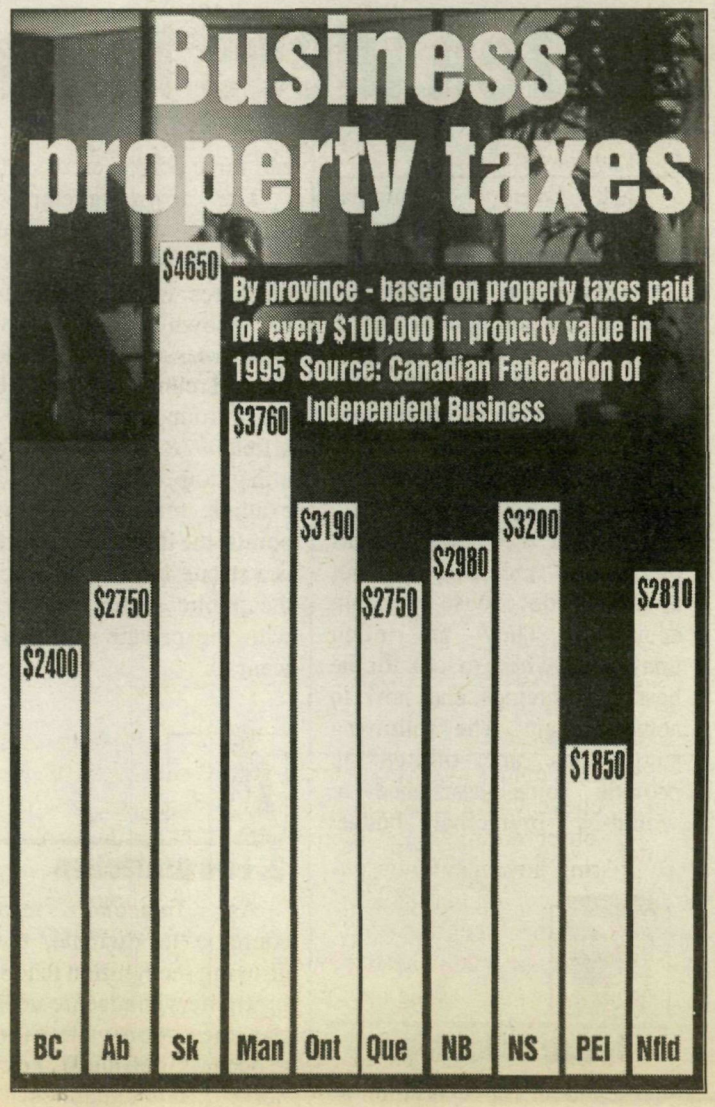
Recent reports out of Saskatchewan, indicate high business taxes there are having a damaging affect on businesses in the province. In the case of the London Building in Saskatoon, its owners pay $4 a square foot in property taxes. Unfortunately the market in Saskatoon only allows them to charge $6 a square foot in rent. The $2 difference, the owners say, won't pay for utilities and maintenance, much less the mortgage on the building.

Not surprisingly, a 1995 comparison of business property taxes done by the Canadian Federation of Independent Business (CFIB) revealed Saskatchewan had the highest business property taxes in the country. With Canada having the highest property taxes in the world, it's conceivable Regina and Saskatoon have the highest business property taxes in the world.

The CFIB compared the amount of taxes that businesses pay per $100,000 value in property. Saskatchewan came in first at $4,650 per $100,000, Manitoba came in second at $3,760 and Nova Scotia placed third with $3,200. The lowest business taxes belong to PEI which came in at over 50 percent less than the leader at $1,850.

So what is the solution? In their world, money hungry senior bureaucrats, fogged in by bureaucracy, regulations and piles of papers, can't see taking more money out of the hands of consumers hurts businesses in their community.

With more government than we need, more government than we want, and more government than we can afford, it's time to start cutting.■



Proposition 13 - rolling back property taxes in California

By the late 1970s, thousands of people in California were on the verge of losing their houses. The state government had instituted a policy to tax residential homes based on the current market value of the property.

A dramatic increase in housing prices was occurring in California at that time, and in some instances property taxes were leaping by as much as 200 percent per year. Housing was quickly becoming affordable only to the very rich.

Fortunately, in California, taxpayers can institute changes in legislation through referendums. Average citizens can put issues to a state-wide vote by collecting enough names on petition. If a referendum is passed, the state is then obliged to make it law.

With people losing their homes, Howard Jarvis (now deceased) initiated Proposition 13 in 1978. This law, if passed, would result in property assessments being rolled back to 1975 values and would only allow governments to increase the house's value by 2% a year after that. There was a provision that allowed homes to be reassessed at their current value when it sold, but the 2 percent provision would kick in again at this point until it sold again.

At the same time, Prop 13 limited the mill rate to 10 ($10 of taxes per year for every $1000 value in property). The proposition also stopped politicians from raising other taxes to get around the resolution by requiring a two-thirds majority in the state legislature for any new tax increase.

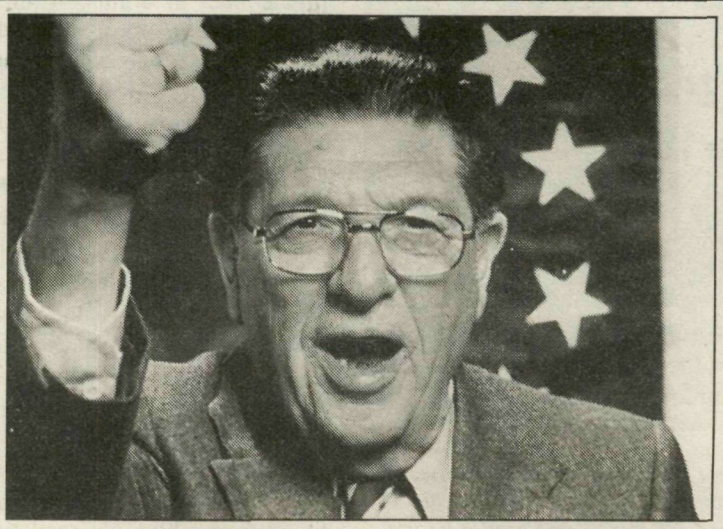
The provision would not only rein in out-of-control taxes but it would stop the government's spending spree as well, because in California, the state government is forced by law to balance its budget. If revenues change so must spending.

Despite organized resistance from special interest groups, Prop 13 passed with a landslide of nearly two to one, immediately ending the massive tax grab.

This change allowed taxpayers to buy a home with a sense of security. It protected those who tended to live in their homes for long periods of time such as the elderly. Since apartment blocks were also rapidly increasing in value, lower income people were seeing their rentals increasing just as fast, and Proposition 13 protected them as well.

Unfortunately, Prop 13 allows the state to use the new value of the home once it is sold. So most recent sales of homes have simply been out of the reach of many average taxpayers. According to a study by a team of economists, (O'Sullivan, Sexton and Sheffrin), "In California's high priced real estate market, lower income individuals, on average, are able to own a home today only if they bought it in the distant past." However, without Proposition 13, they wouldn't even be able to do that. It's estimated that Prop 13 has saved California taxpayers over $155 billion since it was instituted.

Fortunately, for lower and middle income earners property values have started to go down and another provision of Prop 13 allows homeowners to appeal their assessment if the current value of the house is below its last selling price.



Howard Jarvis lead the Prop 13 tax revolt in California. Surveys show that it's still as popular today as it was when it was first passed.

Over the years, a few groups, including bureaucrats and politicians, have tried to have Prop 13 overthrown by the courts. But each time the courts have protected the rights of the taxpayer. These groups could, if they wanted, initiate their own referendum to change the law. However, to do this they first have to find enough people to sign a petition to put the issue to a state-wide vote.

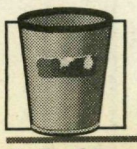
It's therefore unlikely their efforts would meet with success. Proposition 13 is still as popular with citizens today as it was 18 years ago when it was first passed. A poll done by the Charlton Research Company in September of 1995, revealed Prop 13 would pass with the same two to one vote today as it did when it was first passed. In fact, a 1993 measure proposed by the government that would have weakened Prop 13, was rejected by an overwhelming 69 percent of voters. Californians are not going to let the government take away one of the few avenues of power the average citizen has -irregardless of how uncomfortable it makes life for the government.■

Ten ideas to save some municipalities money

By Charles Bens

Each year, municipal councils go through the ritual of preparing a budget for the coming year, and each year they struggle to find places where they can save beleaguered taxpayers some of their precious tax dollars. In the past few years, newly formed rate payer groups have been established to assist in this process.

However, the good intentions of council members do not always produce wise spending decisions. They are often unaware of where to look for the best cost savings and how to achieve them. The following suggestions are offered to provide some assistance to would-be municipal budget cutters.



1. Refuse collection

The town of Oakville, in southern Ontario, has succeeded in saving $240,000 a year in refuse collection costs through a combination of recycling measures and the adoption of more efficient trash collection practices. The town has switched to a one man truck system, which reduce costs 20-40% from the traditional two and three person crew system.

The town attempted to privatize refuse collection shortly after these efficiency measures were introduced but the town's public works employees submitted the lowest bid and retained the service with the introduction of even more efficient routes and effective utilization of personnel. This example makes two important points; the threat of privatization is a strong motivating force and the public sector can compete with the private sector if they want to.

2. Fire protection

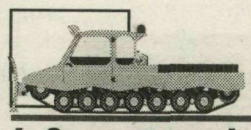
As financial resources continue to dwindle, there is growing recognition that paying firefighters handsome salaries to sit at the station waiting for a fire to occur is inefficient and costly. Some municipalities have required their firefighters to take on other duties, such as rebuilding or even constructing fire trucks or repairing parking meters. Others have implemented comprehensive inspection and fire prevention programs which utilize the knowledge of these highly trained employees. Such programs are proving highly successful, and often lead to reductions in property loss and insurance premiums, savings which benefit the entire community. Some forward looking municipalities have gone so far as to contract out their fire protection services to private contractors, while others augment their force with more volunteers, allowing them to reduce the number of full-time staff.

3. Police protection

A community's police service is one of the most difficult municipal services to reform. The safety of our families is important, and changes to policing is an emotional issue. Further, police departments are usually governed by autonomous boards. Nevertheless, there are significant opportunities to cut costs without sacrificing public safety simply by evaluating the budget received by the Department before it is approved by the municipal government.

The best way to reduce costs is to identify ways to use police more efficiently and thus provide the same level of service with fewer people. Some municipalities have reduced paperwork performed by high salaried police officers, by providing them with tape recorders and computers, allowing them more time for active police work. Many departments involve their personnel in crime prevention, drug awareness, and school programs, while others involve their officers in all phases of police work rather than segregating responsibilities.

One reform that has been successfully implemented in Europe and throughout North America is to combine the fire department and the police department to form a public safety department. This combination of fire and police can dramatically reduce the number of employees since every employee is cross-trained and available as needed for emergencies. Whatever the reform, the key is to remember that the police force belongs to and serves the citizens of the community, and should reflect the community's goals, values, and ability to pay.



4. Snow removal

Most municipalities in Canada have sizable budget allocations for the removal of snow from streets and sidewalks. In many cases, the amounts allocated for snow removal are higher than they should be because creative cost saving ideas are not passed on from one municipality to another. For example, the city of Kitchener eliminated standby private snow removal crews and cross trained parks and recreation staff to provide backup capabilities, for a total savings of $150,000. Scarborough saved $120,000 by evaluating snow removal equipment and using the most efficient equipment.

Other cost-saving ideas include allowing snow to accumulate to higher levels before removal, sharing equipment and personnel between neighbouring municipalities, and getting citizens and businesses to clear their own sidewalks.

5. Road maintenance

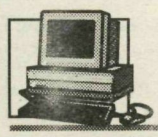
Road maintenance is another very high cost item in most municipal budgets. Many municipalities waste money by not rebuilding roads when they should because of short term budget constraints. This produces false cost savings in most cases because delayed road repairs usually end up costing more due to accelerated road deterioration.

Some departments (Region of Ottawa-Carleton for example) have introduced a full cost-accounting system which takes into consideration the impact of road conditions on costs incurred by drivers such as tires, shocks, oil and gas consumption. There are also delays and accidents which could be factored in when calculating the cost of fixing or not fixing a road system. Sharing equipment and employees between departments and between municipalities is becoming more popular. Several municipalities have outsourced or privatized various parts of their road maintenance programs with much success.

6. Management

Virtually every municipality has too many supervisors and too many managers compared to the private sector. Business and public sector organizations are seeing a trend to fewer managers with those remaining being transformed from being the "boss" to being a coach or facilitator. Staff are placed in teams, and take more responsibility for planning their work. At the same time, the ratio of managers to staff is changing from one manager for every five or even ten staff, to one manager for every 50 to 100 staff.

Municipalities can reduce their costs substantially by moving to the team concept, which yields other benefits such as increased staff and management morale, enhanced productivity, and improved service levels. The City of Owen Sound, Ontario (population 20,000) recently eliminated one of three senior management positions in the Public Works department. Now, each crew selects a lead hand who directs the work at each site, and the town is saving more than $60,000 per year.



7. Consulting studies

In far too many cases, municipalities fall back on consulting studies to help them deal with difficult or sensitive issues. If managers and staff receive appropriate training in program evaluation and problem-solving techniques and in the use of performance measures, they are able to avoid

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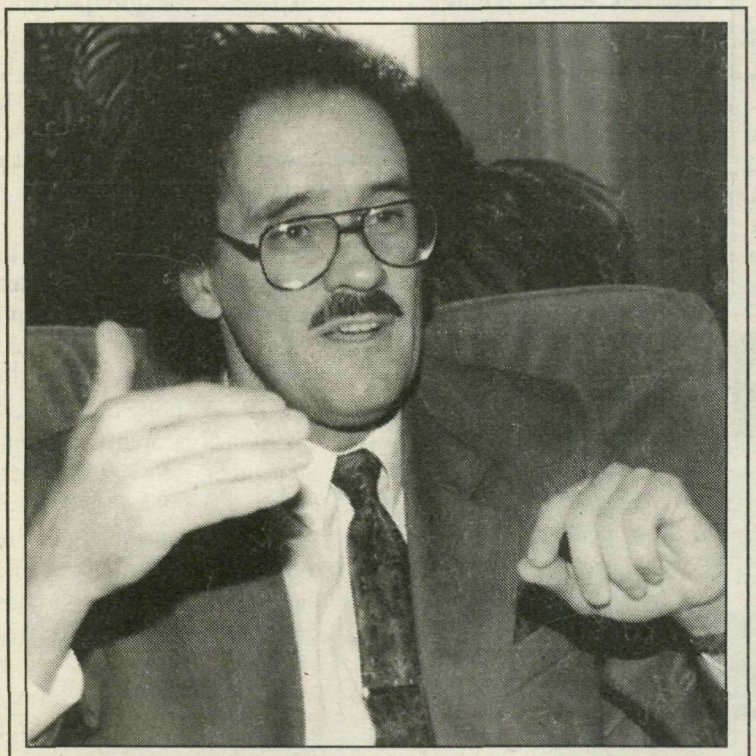


Charles Bens is recognized as one of Canada's foremost authorities on government performance measurement, and has helped governments save millions of dollars over the past 25 years. He was the executive director of the Municipal Research Bureau for 15 years. For the past number of years, he has operated his own management consulting company specializing in innovative budgeting and management techniques for governments. His study of urban problems has taken him to over 200 cities in North America and Europe.

Continued from previous page

many of the problems which require the use of outside consultants.

The principal factors which cause an over-reliance on consulting studies are a lack of confidence in staff expertise, the established habit of using consultants and an overall resistance to change.

8. Inspection services

Most municipalities still separate their various inspection services according to rigid departmental activities such as building, plumbing, electrical, bylaw enforcement, and fire. Some municipalities have merged responsibilities for some of these activities, but there is room for much more consolidation.

Technology has given municipal inspectors the ability to carry computers which provide the information they require on their inspection. Many municipalities are realizing the cost benefits of cross-training inspectors in a number of areas, reducing the number of specialists required.

9. Get input

Municipal employees are often the source of the best ideas of cost savings. Unfortunately, their opinion is rarely solicited. Many progressive municipalities are endeavouring to include both employee and community resources in their decision making process. The catch phrase used to describe this change is Total Quality Management, but what it really boils down to is good old common sense.

After all, it is only good sense to ask employees how they can improve the services they deliver and actually put them into teams responsible for identifying and solving operational problems. Every municipality should be implementing Total Quality Management so that they might harness the energy and ideas of their citizens and their employees.

10. Economic development

Community economic development has been one of the least cost-effective enterprises of municipalities. Millions of dollars have been spent in an attempt to bring new businesses into communities across Canada, with very little success. The reason is simple: new businesses are more likely to be attracted to a community with reasonable tax levels and a healthy progressive business environment than to one that is in a steady state of decline.

What these offices should have been doing was to concentrate on keeping their existing businesses happy and healthy. Business retention and expansion activities have helped to avoid the continual deterioration of jobs, particularly if these retention efforts were aimed at helping businesses to strengthen the quality of their operations. Several municipalities have initiated business incubator programs to promote new businesses, started training programs for new and existing businesses, and changed legislation to encourage businesses operated in homes. Joint committees of business, labour and government have had much success, as have apprenticeship programs designed by businesses and schools. The best economic development programs seem to emerge from strong community-based strategic plans because the best ideas are captured and strong support is more likely.

Municipal decision making can be affected by concerned and informed citizens. However, it will take perseverance on the part of a community's citizens, combined with sound political leadership and enlightened management. The main difference between municipalities with excellent services and low tax rates compared to those with average or poor services and high tax rates is the degree to which they strive to find a better way to deliver services. ■

Actual Value Assessment - A coastal disturbance moving east

By Paul Pagnuelo

Over the past two decades, British Columbia has moved towards a more technically advanced form of assessment for property taxation, by aligning assessed values closely with current sales data.

The term actual value assessment (AVA) is being used to identify the BC assessment system. Ontario's Municipal Affairs Minister enthusiastically describes it as a "kinder, gentler" form of market value assessment. But taxpayers need to look carefully at what they are getting.

The key drawbacks to AVA are the flip side of its accuracy in tracking selling prices.

The primary problem comes with tax volatility. When real estate markets are volatile, relative market values tend to shift rapidly. With AVA tied to those values, taxes will shift rapidly as well. Taxpayers dislike tax volatility, so tax policy fixes are often used as pacifiers. As a result, tax policy and assessment policy end up working against one another.

The City of Vancouver's experience over the past few years illustrates the dilemma. After real-estate markets began heating up in 1989, year-over-year tax increases were faced by thousands of property owners. City Council responded by changing the capping formula each year, Now, it appears Council may give-up on tax policy fixes. Instead, it is turning its attention to the underlying assessment system. Vancouver is looking to shift some municipal costs from the AVA base to charges based on an alternative form of assessment. For the single family homes, these charges — while positioned as utility charges — would not be based on consumption. Instead they would be in the form of a flat tax or parcel tax (equal charges per house).

While Vancouver has pointed to several justifications for its proposal, reduced tax volatility flowing from reduced reliance on AVA is mentioned prominently. Other BC municipalities, such as Rossland, already have the powers Vancouver is seeking and are using them even more extensively.

The other major problem with AVA is that it tends to be very expensive. Although computers may help hold costs in check, this method requires many trained staff. This comes into conflict with government cost-cutting - a dilemma resolved in theory by creating a self-financing assessment authority.

The cost issue in BC has also apparently led to major problems. The levy rate used to finance the assessment authority has been frozen. In a paper presented to a conference in Toronto, the former Senior Chair of BC's Assessment Appeal Board, William Anderson, identified the result clearly. When major appeals result in reduced assessment, the authority loses revenue because revenue is a fixed percentage of assessed value. The authority has therefore resisted reductions in large commercial assessments, to the degree that a major part of Vancouver's commercial base is now under appeal. Many appeals are backlogged several years.

It appears that AVA, while generally accurate in tracking house sales, still leaves room for argument over what larger commercial properties would be worth if sold. These arguments are expensive for both sides, since specialized legal and appraisal resources are required.

The future of AVA in Canada hinges on issues of volatility and cost. In the current fiscal and political climate, even those believing strongly in the market value equity standard have a new reality to face. When done properly, their preferred assessment system may cost too much and meet with too much taxpayer resistance.

Other countries have redefined property tax equity to reduce volatility and cost. In Britain there is the Council Tax - a one time valuation system. In Israel is an area-based unit system and California has an acquisition price system, also used in Florida since 1993. Taxpayers appear to accept the results. ■

When cities base their tax rates on the current value of homes, it is not only very costly to implement, but can also put homeowners under tremendous financial pressure.

Broken Promises

"I'M NOT GOING TO MAKE ANY PROMISES I CAN'T KEEP"

Glen Clark after winning the NDP leadership race. (Vancouver Sun, February 20, 1996)

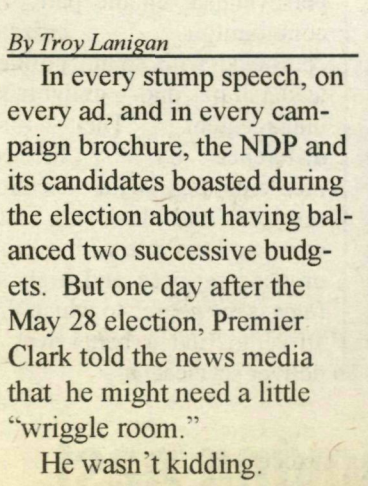
By Troy Lanigan

In every stump speech, on every ad, and in every campaign brochure, the NDP and its candidates boasted during the election about having balanced two successive budgets. But one day after the May 28 election, Premier Clark told the news media that he might need a little "wriggle room."

He wasn't kidding.

Not only did the budget surpluses evaporate into budget deficits, but the government quickly announced a capital spending freeze, a comprehensive review of government programs, $750-million in spending cuts over the next 18 months, and a raid on the previously sacrosanct Forest Renewal Trust Fund, all in a bid to stem the gush of red ink.

In a nutshell, almost all the fiscal promises Premier Clark and the New Democrats campaigned on were tossed out the window after the election. This was no accident.



Troy Lanigan

As far back as eighteen months ago, then Finance Minister Elizabeth Cull was briefed on a potential $1-billion deficit for the current fiscal year. The fears were renewed in further documentation prepared by Finance officials in January of this year. But by February, after Glen Clark had been sworn in as leader, ministry revenue projections were suddenly revised upwards by $800 million — the amount of "revenue optimism" needed to show a 1996/97 balanced budget on the eve of the provincial election.

The final indictment came one week prior to the May 28 election when Finance officials projected the NDP's two balanced budgets were actually headed for a combined deficit of $1.2 billion.

Even after the election, the misrepresentation continued. Newly anointed Finance Minister Andrew Petter admitted to having been briefed on the impending deficits but chose to ignore the facts and re-introduce on June 26 the same phony budget presented to voters prior to the election. If it wasn't for the tenacity of the media, we may still not know the truth.

Mr. Petter should resign. In fact the whole government should resign. The NDP's fraudulent misrepresentation of the province's financial state during the election represents brazen and cynical contempt for the voters of British Columbia.

The whole incident also elevates the importance of a comprehensive balanced budget/taxpayer protection law. Since the NDP were first elected in 1991, taxpayers have been told repeatedly that we have the country's best economy. Yet, while provinces like Saskatchewan have been balancing their budget since 1994, B.C. hasn't balanced its budget in six years —even after creative accounting changes.

Part of the reason why Saskatchewan and so many other provinces have balanced their budgets is because they are required to do so by law. Some of these laws even include non-compliance penalties: in Manitoba, a deficit results in the Cabinet, including the Premier, taking a 20 percent cut in pay and in the Yukon , a deficit triggers an election. It's easy to understand why such accountability mechanisms would not be popular with the current government.

In the meantime, frustrated taxpayers should use what limited accountability mechanisms are available to them. A Kelowna businessman, David Stockell, has initiated a class action suit against the NDP for fraud violations under the *Election Act*. The Supreme Court of British Columbia has agreed to hear the case which, if successful, could force several by-elections, if not an annulment of the entire election. There's also the *Recall Act*. While the thresholds are forbidding (40% of voters in a riding must sign a recall petition in 60 days), it remains possible to force by-elections within 18 months.

Rather than throw our arms up and say, "well... all politicians lie," it's time that voters did something. The last chapter on how the NDP won this election isn't over yet ...■

Canadian Taxpayers Federation - British Columbia

#604 -1207 Douglas St., Victoria, B.C., V8W 2E7
Phone: (250) 388-3660
Fax: (250) 388-3680

Executive Director: Troy Lanigan

Help H.E.L.P. GET SOME JUSTICE

H.E.L.P. - B.C. (Help Eliminate Lying Politicians in British Columbia) is a non-partisan, voluntarily-funded organization that is coordinating a class action suit against the provincial NDP for misrepresentation during the May 1996 provincial election campaign. A clause of the Election Act prevents parties or candidates from using "fraudulent means" to compel, persuade, or otherwise cause an individual to vote for a particular party or candidate.

The Supreme Court of British Columbia has agreed to hear the challenge. Lawyers for H.E.L.P. -B.C. are now collecting evidence.

You can help H.E.L.P.:

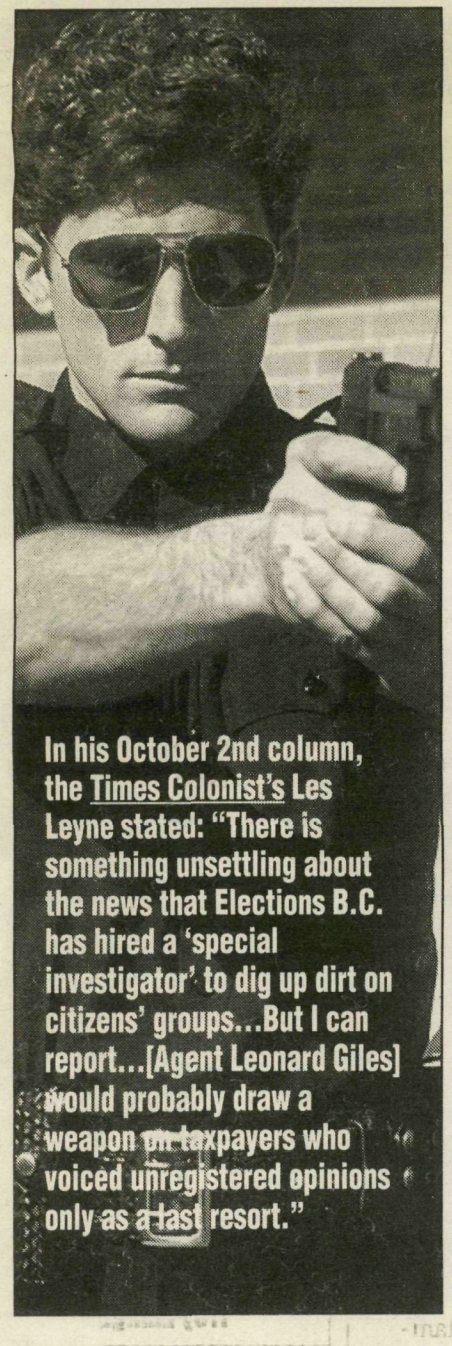
1) More people are needed to join the class action suit. If you voted for (or know of someone who voted for) the NDP in the May 1996 election but would *not* have done so if the truth about the province's deficit position were known in advance of the vote, please contact David Stockell of H.E.L.P - B.C. at the address below or call the CTF toll-free at (800)699-2282. There is no financial obligation on the part of anyone stepping forward, although one must be prepared to sign an affidavit or make a sworn statement.

2) Send a letter to H.E.L.P. - B.C. expressing what you think of how the NDP won the May 28 provincial election.

3) Send $10 (or more) payable to *H.E.L.P. - B.C. In Trust* to assist in defraying the cost of the legal challenge.

H.E.L.P. - B.C.
P.O. Box 414
Kelowna, B.C.
V1Y 7N8
Phone: (604) 868-1112 (days)
(604) 860-9648 (evenings)
Fax: (604)868-1344

(The Canadian Taxpayers Federation is in no way affiliated with H.E.L.P. - B.C. which is a separate organization based in Kelowna. All donations will be held in trust with National Trust in Kelowna and will be used exclusively for expenses relating to further promotion of the legal action. A statement of income and expenses will be made public when the action is complete).■



In his October 2nd column, the Times Colonist's Les Leyne stated: "There is something unsettling about the news that Elections B.C. has hired a 'special investigator' to dig up dirt on citizens' groups...But I can report...[Agent Leonard Giles] would probably draw a weapon on taxpayers who voiced unregistered opinions only as a last resort."

B.C.'s speech police

The NDP's new *Election Act* will soon be put to the test. Beginning Thursday, September 26, fines of $500 per day are being levied against the Canadian Taxpayers Federation (CTF) for alleged contravention of the *Act* during the May 1996 provincial election.

Elections B.C. has stated the CTF undertook "election advertising" during the campaign and is therefore subject to a $5,000 spending limit, plus registration and financial disclosure requirements. These "gag law" restrictions were among the most contentious sections of the NDP's new *Election Act* which was passed in the summer of 1995.

However, opposition on principle aside, advertising sponsored by the CTF during the provincial election campaign was neither designed nor intended to flout the law. Importantly, "election advertising" restrictions under the *Act* applies only to "advertising ... used during a campaign period ... to promote or oppose, directly or indirectly, the election of a candidate, or ... party". Consistent with what the organization has done in other provinces, the CTF ran ads during the B.C. election campaign supporting balanced budget legislation and voter approval for new or increased taxes. When former Attorney General Colin Gablemann introduced the new *Act*, he made it clear that issue-oriented advertising would not be restricted — as it wasn't during the election for other groups like the B.C. Nurses Union.

Nonetheless, Elections B.C. has written the CTF on three occasions stating that the organization had engaged in "election advertising" and must comply with the *Act's* requirements and restrictions. The allegations came without any specific explanations as to how the ads broke the law — just that they did.

But they didn't stop there.

Elections B.C. also wrote CFAX radio in Victoria during the May election campaign threatening them with prosecution if they did not take the CTF's ads off the air. Again, no specific explanations as to how the ads broke the law were provided.

The new *Act* effectively empowers Elections B.C. to wear three hats: police, prosecutor, and judge. Bureaucrats are sitting in judgement of what constitutes politically acceptable speech and handing out fines on the basis of unspecified allegations.

Legal counsel for the CTF has written Elections B.C. denying wrong doing and disputing any fines imposed until it is proven that the CTF has contravened the *Act*.

No one objects to ground rules for election campaigns: as long as they are fair, even handed, clearly stated, and consistent with the fundamental principle of free speech. The current system is anything but.■

TAXPAYER TIDBITS

FRBC and photo radar tax grab no surprise

According to *Vancouver Sun* columnist Vaughn Palmer, the New Democrat government was advised in a September 7, 1995 Finance Ministry document to consider five new potential revenue sources to avert a $1-billion deficit pending for the 1996/97 fiscal year: Forest Renewal BC, photo radar, lotteries, fees and licences, and asset sales.

Since the document, Forest Renewal has been raided, photo radar implemented, and liquor prices raised. "Fees and licences" are slated to increase $100-million this year which means more announcements will be forthcoming. As for "asset sales," so far only the Seattle-Victoria service has been earmarked for privatization. The outstanding question mark remains lotteries...or should we say casinos?

Hot wheels

When sometime Nanaimo MLA and Legislative Speaker Dale Lovick was handed the keys to a brand new, fully decked out, Chevy Blazer 4x4 the CTF began to inquire about the "policies and procedures" for "executive" vehicles for provincial government officials. It was found that all cabinet ministers, all of their deputies, and all of the associate deputies — in total 39 officials — are eligible for "executive" vehicles.

The maximum monthly allowable lease payment (not including tax) is $455 per month for deputies and $570 for cabinet ministers. Taxes, insurance and operating costs are also covered by the province. "Executive" vehicle holders are entitled to purchase their vehicle at "fair market value" when the lease expires. The "policies and procedures" also allows for a $580 monthly "allowance" in lieu of taking a leased vehicle (excluding cabinet ministers).

Glen Clark a taxaholic?

Effective September 2, the B.C. Liquor Control Board increased its mark-up on liquor. The increase is in response to a mandate from the provincial government to squeeze out an additional $18 million in liquor revenues this year.

Expensive allowances

At its August 14 meeting, MLAs of the all-party Legislative Assembly Management Committee (LAMC) increased seven separate allowances including a modest pay hike for themselves. At first, the increases were estimated at $800,000 but new information released by the Speaker's office now brings that total to over $2 million ... and counting. The previously unspecified increase for constituency office furnishings turns out to be a hefty tab, moving from $2,000 to approximately $16,400 for an increase of — wait for it — 720%. Ironically, the information was released one week prior to Finance Minister Andrew Petter's announcement that the government would be cutting its spending by $750 million over the next 18 months. ■

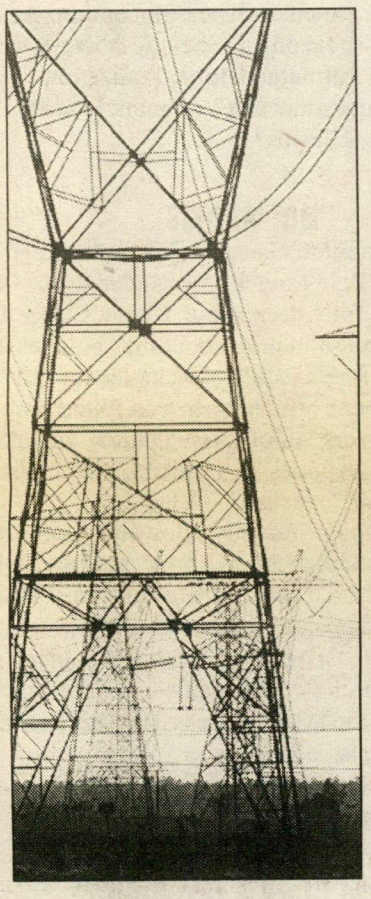
Farmers fight Goliath

By V. Joy Schmit

In politics, an amazing phenomenon occurs in the years between elections.

It seem that the voter who selected a politician to best represent their interests becomes incapable of understanding the complex issues that politicians deal with. Political arrogance rears its ugly head.

An unfortunate case in point involves the $39.4-million power line project SaskPower intends to build between Condie, north of Regina, and the Queen Elizabeth II power station in Saskatoon.



Several concerned farmers and landowners, who have formed a group called the Condie Line Evaluation and Review (CLEAR), say that SaskPower is not being fully up front about the project. Their concern is that questions remain unanswered and that the government is ignoring other options, that could make the planned project unnecessary.

In an environmental impact statement presented by Darrin Qualman of Dundurn, he says conservation as an alternative would be more economical in the long run. Qualman states that if SaskPower invested the same amount of money -$39.4 million - on conservation, demand could be reduced by 283 MW or 25% of their average load. Further, he says $39.4 million spent on conservation would yield a $52-million annual net savings to households and businesses, in contrast to the $3 million annually SaskPower says it will save with the line due to increased transmission efficiencies and lower cost generation facilities.

A further alternative, Qualman says, is co-generation. Apparently many of the large industrial customers SaskPower says they are building the line to serve, have expressed interest in generating their own power. He said Millar Western spent tens of thousands of dollars drafting a proposal to burn bark and wood chips - now burnt as waste - to produce electricity. SaskPower rejected the Millar Western proposal and dozens of others with little explanation.

An incredible 85% of affected property owners, opposed to the 230 kV line, have refused to sign the easements SaskPower needs to begin construction.

Residents near the line, concerned about the safety of their families, point to studies linking high levels of electromagnetic forces (EMF) and cancer. Further, farming around power lines is particularly hazardous.

After nine months of intense lobbying which was rudely ignored, the group was finally granted a meeting with Mr. Lautermilch. Signed letters from 228 landowners and farmers were presented, along with a list of questions that they feel SaskPower has failed to answer to their satisfaction.

The response? "The government will do what we can to ensure that this project makes economic sense, environmental sense, and in the long term will have been the right decision to make."

Failing that, however the government will expropriate the property of those refusing the Crown permission to build on their land.

Despite the concerns raised, and the questions left unanswered, it seems that Mr. Lautermilch has fallen victim to the same delusions of politicians past — the belief that only big brother knows what's best.

With its absolute monopoly, SaskPower can be high-handed, and the politicians, it seems, can ignore the wishes of the people.

This is not an issue only for the landowners affected. This is an issue that should concern all taxpayers. Is this the best way to spend forty million dollars? What about the options? Increasingly, when it comes to the political management of monopoly Crowns, taxpayers are concerned that the public's best interests are not the first priority.

The Condie-Queen Elizabeth II power line project is an issue that should be resolved with some input from the people it affects. ■

Comparison of the Condie-Q.E. project to conservation

	Power Line	Conservation
Cost to SaskPower	$39.4 million	$40.5 million
Annual return to SaskPower	$2.2 million to $5.2 million	$0 to $42.5 million
Return on investment for SaskPower	5.5% to 23%	0% to 104%
Cost to affected utility customers (per year)	$2.4 million	$20.3 million
Annual return to utilities	$0	$72.23 million
Return on investment for utility customers	0%	356%
Amount of electricity saved	20 MW	283 MW per year, over 20 years
Cost to SaskPower per saved MW	$1.97 million	$0.14 million

Giving credit where credit is due

By Dr. Mark Lee

Twice in the period of a few weeks, the Romanow government received praise from an independent body for its stewardship of the province's finances.

The Fraser Institute ranked the Province of Saskatchewan first amongst the provinces for its fiscal controls and budgetary spending. Following on the heels of that, the Toronto-Dominion gave the province high marks for balancing its budget, and for tackling its debt.

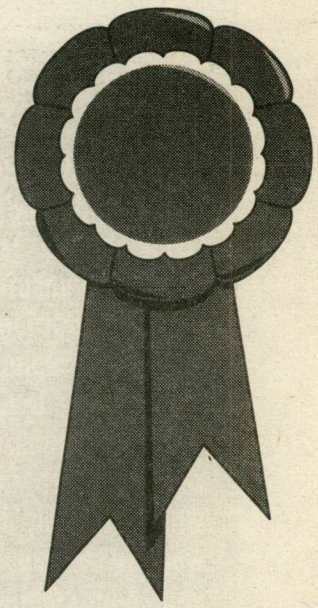
In 1991 when the Romanow government was elected they inherited a province on the verge of bankruptcy. The province had a total public debt approaching $20 billion, and faced a budget deficit of over $800 million for the fiscal year 1991-92. To say the province was in dire straights might well rate as the understatement of the decade.

If we fast forward to 1996, we find a province with a budget that projects a modest surplus, and the prospects of a further reduction of the province's accumulated deficit.

Has there been a price to pay for this improved fiscal health? Most definitely. We face one of the highest tax burdens in the country. We have seen numerous hospitals and clinics closed throughout the province, with a corresponding decline in patient care and service. We have seen our children and friends move out of the province to seek jobs that the economy is just not producing. And we have seen a rash of hidden taxes and user fees evolve. Yes, the people of Saskatchewan have paid dearly for the excesses of past governments.

While the taxpayers of Saskatchewan may have preferred the province take a different route to balancing the budget and paying down its debt, the fact is the Romanow government delivered. They have balanced the budget, and begun the long process of paying down the accumulated debt, and for this we are grateful. We believe it is important to give credit where credit is due, and in this case Premier Romanow, Finance Minister McKinnon, and their colleagues should be praised for restoring some degree of fiscal sanity to the province.

Are there further challenges facing the province? Once again, most definitely. The province still faces a huge accumulated debt load, with interest payments of around $800 million per year, which can't be wished away. Nor is the debt going to disappear in our lifetime through the modest surpluses the province is currently running. Moreover, the taxpayers of this province cannot continue to shoulder this crippling tax-burden. No, some hard decisions are still facing the Romanow government, among them the possibility of selling some of the Crown corporations as a means of paying off hunks of the debt. ■



Saskatchewan highways

By V. Joy Schmit

When it comes to cash cows, the Saskatchewan government has managed to accumulate quite a herd. However, it would seem it has had few as prolific of milkers as the fuel tax.

Historically, fuel taxes have been collected to fund the infrastructure needed to support transportation. So, Saskatchewan motorists pay a certain percentage of each litre of gasoline - which incidentally is almost the highest priced gasoline in the country - trusting that money is directed towards maintaining and repairing our highway system.

Unfortunately, it seems over the past decade, a shift has taken place, and motorists aren't getting what we pay for.

According to a study completed by the College of Commerce at the University of Saskatchewan, in 1997 the Saskatchewan government will collect $430 million in gas taxes, but will only put $168 million back into the highways. That means approximately 61 percent of the money collected to fix our highways is put into general revenues - to fund pet projects of politicians. The province of Manitoba has roughly the same population as Saskatchewan, yet their government puts 85 percent of what they collect back into their highways. The College of Commerce study showed that between 1993 and 1997, Saskatchewan will collect $588.9 million more in fuel tax than Manitoba, but will spend $254 million less. Even as recently as 1988, 94 percent of the money collected was going back into the roads. There's obviously something wrong with this picture.

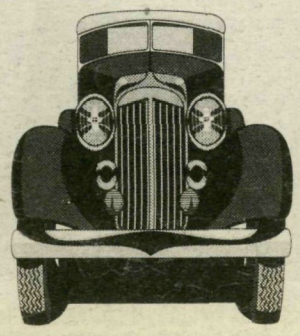
The Saskatchewan branch of the Canadian Automobile Association (CAA) has launched a major advertising campaign aimed at raising public awareness and in turn creating public pressure strong enough to force the Saskatchewan government to act on correcting the embarrassing state of the provincial roadway system. They've put petitions in the major dailies, all weeklies, and in their own CAA magazine.

The CAA plans to present the signed petitions at a meeting with the Premier and senior cabinet. If the government does not respond, the CAA will be escalating its campaign, according to Maureen Murray, Manager of Public and Government Affairs for CAA Saskatchewan.

Obviously the sorry state of our highways are of concern to all Saskatchewan residents, and all business and industry in the province. The highways are an integral part of our provincial infrastructure, and they must be upgraded to an acceptable level.

Saskatchewan people have been provided a catalyst in the CAA initiative. It is an opportunity to force the government to put back into the highways what we have already paid for in our fuel taxes. But, it will only be accomplished if we all get involved by signing the petitions and sending a strong message to the marble palace in Regina. In the end, we'll all benefit.■

Highway & transportation spending comparison over 10 years (1988-1997)



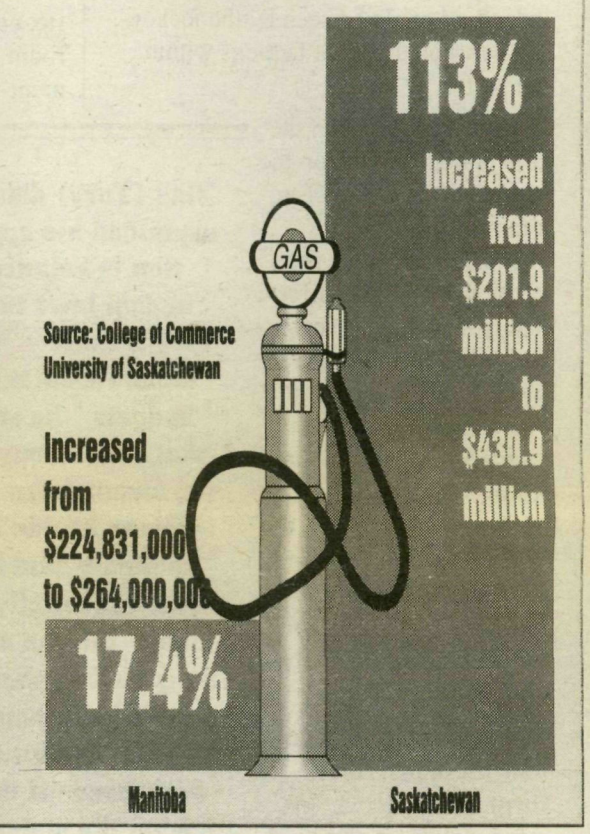
10.4%

Manitoba
Increased spending by $20.9 million from $201. 2 million to $222.1 million

Saskatchewan
spending decreased by $46.7 million from $215.5 million to $168.8 million.

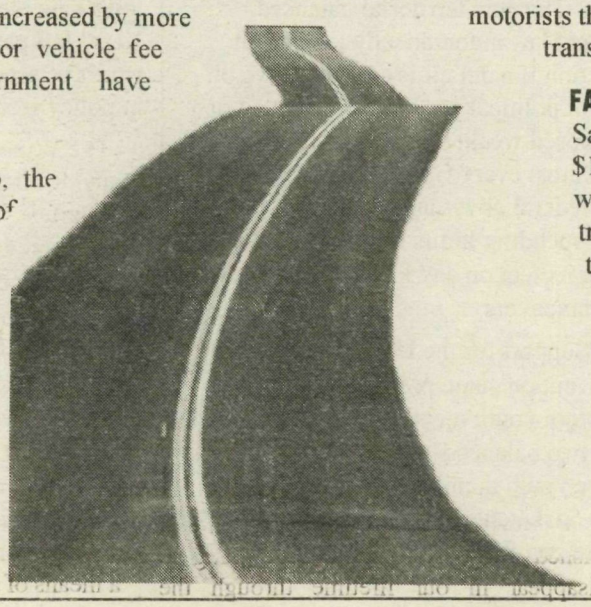
-21.7%

Fuel and auto revenue comparison over 10 years (1988 - 1997)



Road facts

FACT: From 1988-1997, spending on highways and transportation in Saskatchewan has decreased by 21.6%, yet in the same time frame, fuel tax revenues for government have increased by more than 110%, and motor vehicle fee revenues for government have increased by 35.6%.



FACT: Ten years ago, the government of Saskatchewan put 94.0% of the revenue collected from motorists back into highways and transportation expenditures. In 1996-97, only 39.2% of what is collected will be returned to our highways and transportation systems.

FACT: In the 1996/97 fiscal year, the Saskatchewan government will collect $262.1 million more from motorists than they will spend on highways and transportation.

FACT: From 1993-97, the Saskatchewan government will collect $1.23 billion more from motorists than what they will spend on highways and transportation. ($2.09 billion in fuel tax and motor vehicle fee revenues, and $859.7 million in expenditures).

FACT: In 1988 revenue dollars collected per kilometre of highways maintained by Saskatchewan Highways and Transportation was $9,226/km. In 1997, that will rise to $16,767/km.

FACT: In 1988, 41.6% of revenue collected went toward highway construction. That number has dropped to only 10.1% of total revenue collected from motorists.

FACT: Manitoba has a similar population base to Saskatchewan. Yet, in 1996/97 they will spend 84% of the revenue collected from motorists on highways and transportation expenditures. Saskatchewan will only spend 39.2% on our provincial transportation system.

FACT: In 1996/97, Saskatchewan will collect $120.8 million more than Manitoba in fuel tax, yet will actually spend $53.3 million less on highways and transportation - a net differential of $174.1 million.

FACT: From 1993-1997, the Saskatchewan government will collect $588.9 million more in fuel tax than Manitoba, yet will spend $254.4 million less on highways and transportation - a net differential of $843.7 for the five year period.

Source: Independent Study by the College of Commerce, University of Saskatchewan for CAA-Saskatchewan.

Half-Measures '96

Winnipeg plays host to Tory policy showdown

By Brian Kelcey

The Progressive Conservative Party of Canada invaded Winnipeg in August for their national policy convention. Young fiscal conservatives went head-to-head with their tax-and-spend party old guard. The event called "Perspectives '96" - showed that the gap between fair-to-frugal provincial Tories of the 1990s and the tax-and-spend national Tories of the 1980s remains wide indeed, as could be seen by the jockeying between different factions within the party.

Media coverage of the convention focused on the so-called "Tory Top Ten," a fairly pro-taxpayer agenda proposed by the youth delegation. Unfortunately, media commentators labelled young Tory proposals as "extremist," "hard-right," and even "ultra right-wing." As a result, some pro-taxpayer economic proposals in the "Tory Top Ten" met with resistance from the Conservative holdovers from the glory days of big government.

For instance, efforts to achieve pension reform were ignored. Instead, delegates approved a vague call for higher premiums and full-funding. By doing so, the PCs effectively endorsed a back-door payroll tax increase. **A motion to privatize the CBC** was watered down. The convention supported privatization of the CBC's production work, but opposed selling off the CBC's information services. A motion to commit the PC federal party to "**smaller and limited government**" failed.

A committee-level attempt to add a **"no-new-taxes" provision** to a "no-tax increase" motion was defeated. Delegates insisted that a federal PC government would need the flexibility to create new taxes, but agreed that these should be revenue neutral. Calls for a **flat tax** were defeated repeatedly, despite a vigorous campaign by Winnipeg flat tax crusader and Youth Delegate Trevor Sprague. Some positive adjustments to the tax system, including calls for a **joint family tax return**, were endorsed.

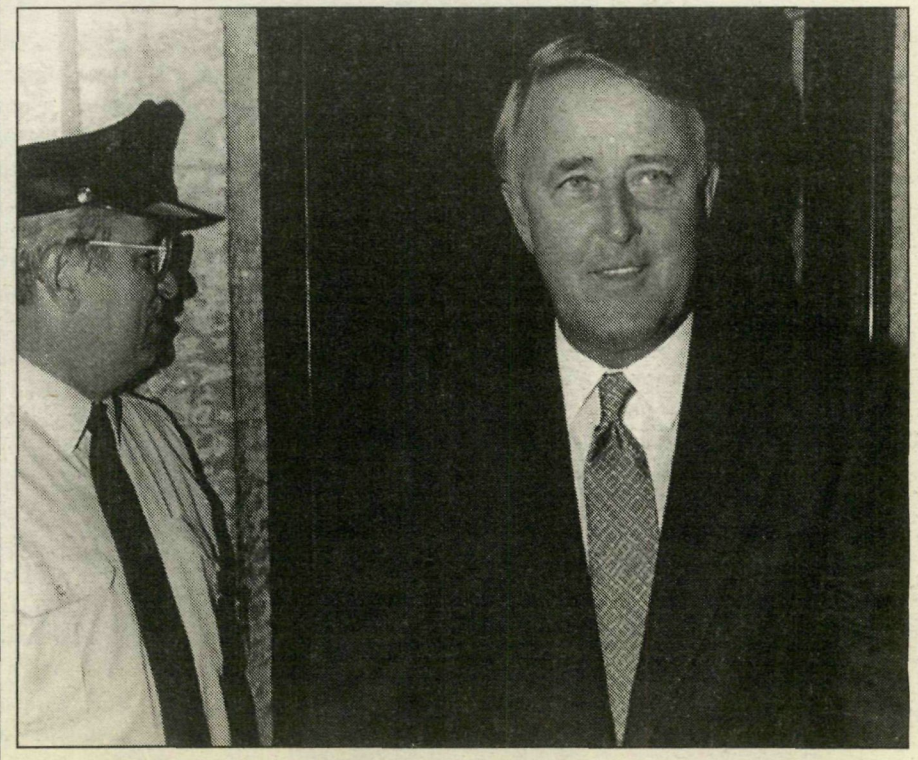
A youth proposal for **a 20% income tax cut** fell victim to heavyweight backroom maneuvering from the big-government-wing of the Tories. Former Mulroney Chief of Staff Hugh Segal went front and centre in one committee to endorse a sudden, backroom-spawned youth amendment, altering their own proposal to create a "more flexible" tax cut. The call for a 20% income tax cut became a "10%-20% cut over one term of government," or, more cynically and simply put, a 10% cut.

"One (Tory) delegate explained his opposition to balanced budget laws to us very frankly - "if we legislate balanced budgets," he said, "that will tie our government down." A woman beside him pointedly said that this was exactly the idea. But the male delegate insisted that a PC government needed flexibility to overspend "if that's what the majority wanted."

A proposal to **ban business handouts** eventually passed despite vocal opposition. A call to eliminate **special interest group funding** was amended to allow for "study" owing to fears that "worthwhile" special interests would be caught by an overall cut.

Strangely, the Tories were divided over **federal balanced budget legislation**. A youth proposal called for "balanced budget and taxpayer protection legislation that provides for responsible fiscal management by the federal government." While 64% of Canadians thought passage of taxpayer protection legislation was "extremely" or "very" important in a poll taken in December 1993, the PC convention's "yea" majority was so small that two recounts had to be held. This unwillingness to commit fiscal principles to law mirrors the Reform party's failure to support taxpayer protection laws at their convention earlier this year.

One delegate explained his opposition to balanced budget laws to us very frankly - "if we legislate balanced budgets," he said, "that will tie our government down." A woman beside him pointedly said that this was exactly the idea. But the male delegate insisted that a PC government needed flexibility to overspend "if that's what the majority wanted." His view lost, but not by much. In a convention where, sadly, cheers greeted the statement that "government funding of business is the way to get our economy moving," his minority view wasn't too out of place.



Ironically, the political party that was virtually destroyed, in large part due to the introduction of the GST by Brian Mulroney - is now trying to make a political comeback by offering tax cuts.

In Manitoba, we have Tory-sponsored taxpayer protection legislation that requires referendum approval for major tax increases and docks pay from cabinets that overspend. The Yukon government went even further, passing the ultimate in taxpayer-friendly legislation. The new territorial balanced-budget law automatically triggers an election if a deficit is created. Five different political parties have enacted or proposed weaker balanced budget laws in almost every Canadian province, yet the federal government which needs tax and spending limits far more is dragging its feet on any kind of protection for taxpayers.

Support for the legislation at the PC convention came predominately from western youth members. The movers of the two balanced-budget law motions were youth members from Manitoba and Saskatchewan. Clearly, they were more comfortable with statutory debt control in part because younger taxpayers were more likely to pay the bills *if* future overspending was what "the majority wanted."

The convention turned into a textbook display of old-fashioned political compromise. If a PC government is elected, **half** of the CBC will be privatized, cuts to special interest handouts will be **studied**, and they could cut taxes by **up to** 20%. Just enough delegates were afraid to alienate particular special interests to divide the convention's political philosophy right down the middle. Unfortunately, it's that attitude which brought us to the disastrous financial state we are currently in. And, until the old guard moves aside and allows new ideas from the "Generation Xers" left paying the bills, then we won't be seeing any dramatic changes in policy from our political parties.

The Winnipeg Convention revealed many different Progressive Conservative parties. The youth party was determined to reduce debt and end heavy tax burdens. The provincial PC parties seem determined to cut deficits and repay debt. The old guard in the party defends pork, GST "harmonization," subsidies and vague studies. These factors blended to create a Winnipeg Convention full of half measures. Unfortunately, the time for half measures is long past.■

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Zero-Based Budgeting isn't SILI

By Victor Vrsnik

A recently leaked federal government memo showed that "spend-it-or-lose-it" (SILI) budgeting is alive and well in the Liberal government. Federal Human Resources Minister Doug Young was reportedly advised to spend $65 million of his departmental surplus on new programs to ensure he doesn't "lose" the money next year.

This example of "spend-it-or-lose-it" budgeting demonstrates some government officials' indifference toward the plight of the average taxpaying family.

The memo suggests that at least $40 million be spent on programs that weren't in the 1996 budget, or be spent on election goodies in 1997. The other $20 million is to be targeted toward an unannounced program to help students "manage" their student loans.

Mr. Young should keep his hands off the $65 million and channel the department's surplus into debt and deficit reduction, rather than squander it all on needless programs. After all, the national debt is fast approaching $600 billion.

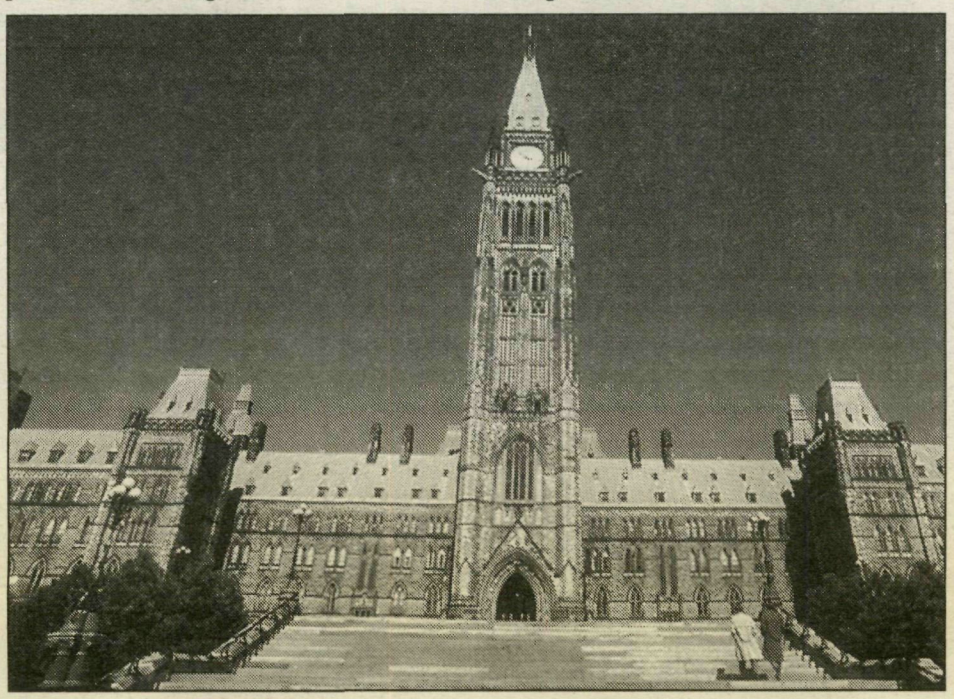
The "spend-it-or-lose-it" budgeting model requires departments to spend their allocated budgets within the fiscal year or chance losing the departmental funds next year. In other words, if Mr. Young doesn't spend the booty by year-end, he'll lose it, together with the power to ask for the same amount next year. If that happens, Mr. Young runs the risk of becoming less important. He will have "downsized" himself.

The only way to get ahead with this style of budgeting is to spend like a drunken sailor. This accounts for the endless public-sector payroll and special benefits conferred upon government employees.

It also explains that seasonal phenomenon at the end of the fiscal year when departments indulge in wild spending sprees on new computers, office expenses, advertising, etc...

By linking managerial pay cheques to department size, it's to be expected that the word streamlining means nothing to those whose comfortable salaries are at stake. Under the SILI incentive system, management is rewarded for growing the budget, and expanding staff. The bigger the budget, the higher the honours conferred to public sector bureaucrats.

SILI also explains why government services can't keep pace with the leaner and more efficient private sector. Given that government services are not costed out, it's impossible to measure the potential cost-effectiveness of the public sector.



It's time for Ottawa to end the silly nonsense of "spend it or lose it" budgeting.

The outdated SILI model should be replaced with alternatives such as "zero-based budgeting" and "special operating agencies." The Filmon government's experiment with Special Operating Agencies (SOA) is a move in the right direction. SOAs are flexibly managed, publicly-run services. They are required to charge internal and external customers the cost of using a service. So far, the Filmon government has SOAed 15 government agencies, totaling 3 percent of the Province's public servants. The program has worked so well that the Fleet of Vehicles Branch has trimmed its expenses by $3 million annually since its metamorphosis into a SOA.

Zero-based budgeting rewards staff for economy, thrift and prevention of waste. Instead of budgeting from actual expenditures of previous years, zero-based budgeters must justify each expenditure from scratch. They assess needs in terms of services and goods first, and then cost them out accordingly.

The practice of zero-based budgeting and the expansion of SOAs to other government agencies would spare taxpayers the needless cost of public-sector waste and inefficiencies. On top of that, it would set a new standard for other governments to live up to by paving the way for more cost-effective and flexible government services.■

Take Charge of Your Money !

Add Your Voice to the Ongoing "Hope Alert" Survey

The great debate has spread to Manitoba

What should be done with all the money saved when Manitoba's debt repayments are big enough that interest payments on the provincial government's debt go down? It is an important question. Here in Manitoba, 11 percent of our tax dollars go to interest payments on a debt that stands at over $7 billion.

Under existing plans, mandated by Manitoba's groundbreaking *Balanced Budget, Debt Repayment and Taxpayer Protection Law*, the debt will be repaid by 2020.

CTF research suggests that a mix of tax cuts and faster debt reduction is the best use for this potential budgetary room. But, we wanted to get an idea of what is preferred by all taxpayers. We are therefore asking our members to complete this survey (on the right), and return it to us. We will be sending all three party caucuses the results. Expect to see more on this in the next *Taxpayer*, including the final survey results, and a feature on Manitoba's debt, tax and government climate compared to other jurisdictions. ■

DEBT REPAYMENT DIVIDEND SURVEY

If the Government of Manitoba can reduce its debt significantly over the next four years, I think the money saved from reduced interest payments should be used to: (please rank your preference by marking the options as "1" for first priority, "2" for second priority and so on from 1-8)

- ☐ Cut sales taxes
- ☐ Cut income taxes
- ☐ Cut payroll taxes
- ☐ Accelerate debt repayment
- ☐ Reinvest in services
- ☐ Cut gas taxes
- ☐ Cut corporate taxes
- ☐ Other:_____

Complete and mail to:

The Canadian Taxpayers Federation - Manitoba, 1211 Richard Avenue, Winnipeg, R3E 3H3
FAX to 204-772-7970 or call in results to 1-800-772-9955 during office hours.

"When they tell you that a tax cut is a free lunch, remind them that taxpayers paid for that lunch in the first place." Steve Forbes - Former U.S. Presidential Candidate

ASSESSING THE ALTERNATIVES

by Paul Pagnuelo

Thanks to Al Leach, the Harris government's Municipal Affairs Minister, Actual Value Assessment (AVA) is about to become the province-wide standard in Ontario for property tax assessment.

But how does this bureaucracy-driven solution to Ontario's property tax mess measure up to other alternatives which Harris and his cabinet chose to ignore?

Alternatives such as the taxpayer-designed Actual Price Acquisition (APA) system in California, in use since the late seventies, when AVA sparked the Proposition 13 tax revolt. Or the British Council Tax (BCT) which the U.K. government was forced to introduce as a replacement to its highly unpopular poll tax. And Unit Assessment (UA) which Israel adopted because it wanted to keep its assessment system simple.

Although all four models use very different equity standards, each of them meet what they set out to do. Under AVA, all properties with the same current market value (Ontario's proposal would average values over a three year period) have the same assessment. In the U.K., the assessment is the same for all properties falling within one of eight bands of 1991 market value. With UA, all properties with the same physical dimensions have the same assessment, while California's APA system ties assessment to the last purchase price of the property.

In terms of stability, AVA ranks as the worst of all four systems, because the assessment changes annually with fluctuating market values. On the other hand, California's APA guarantees no change in assessment until the property is sold. With UA, the assessment remains stable unless there is an add-on or reduction of the measured area. With the BCT, stability is as good as the government's promise that properties will not be revalued.

The lowest marks for understanding how assessments are arrived at to go to AVA. Figuring out and appealing what your property would be worth, if it sold on the open market today, is no easy or inexpensive task for most property owners. The assessment bureaucracy may try to give a satisfactory explanation as to how property value was calculated. But by the time the complex formulae and subjective judgements an assessor uses have all been factored in, the average person is unlikely to be able to make sense of it.

The British Council Tax requires an understanding of how 1991 values were determined, in order that the property could be 'banded'. But at least it involves only a one-time effort, rather than an annual mind-boggling exercise.

If you can read a tape measure, UA is real straightforward. Next is APA, where although the price you paid is easy to understand, the 2% annual inflation cap adds a little complexity to the process.

Finally, there's the issue of cost. Both in terms of administering the system and appeals. AVA is, without a doubt, the most expensive of all alternatives because it involves annual re-assessment and a huge bureaucratic army to maintain the system. And who in their right mind is going to go through the expense and hassle of appealing their assessment each year? By comparison, UA, APA and the BCT are all low-cost assessment systems and, because of their design, the need for ongoing appeals is virtually non-existent.

When Leach brought AVA to the cabinet table, he somehow managed to sell it on the basis of equity, stability, understandability, and efficiency. It begs the question if everyone was asleep at the time and if common sense got parked at the front door of the Legislature.■

Paying for consumption

by Paul Pagnuelo

Electricity, heating oil, natural gas, and water all have one common feature. That same feature also applies to an endless list of things as diverse as the groceries we eat, the clothing we wear, the vacations we take, the cars we drive, the housing we live in, and the long distance phone service we use.

Puzzled?

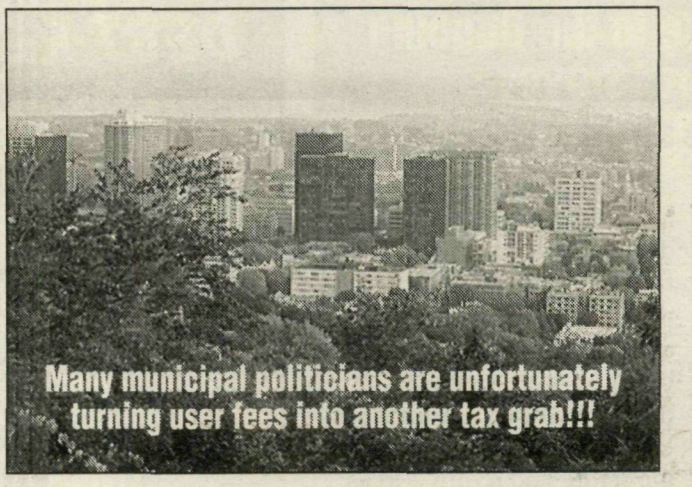
The common ground is that the price we pay for what we use in our daily lives is all based on consumption. We all pay for what we consume. The more we consume, the more it costs us.

Your heating oil bill, for example, is determined by how many litres it takes to fill the tank. If you travel 100 kilometres a day by car to get to work, your transportation costs are far greater than those for someone who is only a five minute drive from the office.

In all cases, consumption is tied to our personal preferences and our ability to pay. We buy what we like or need. Where we buy is based on convenience, price and service. And how much we buy, or don't buy, depends on what we can afford.

Imagine for a moment what your reaction would be if how much you buy was no longer a factor in determining what you pay for what you consume.

Let's say your hydro company decided it was going to change its billing method from the current practice of charging every home and business for the amount of electricity each one uses in a month. Instead, the company divides the revenues it needs to stay in business on the basis of the current market value of each property it provides service to and bills you proportionately.



Your reaction to such a suggestion would not only be negative, it probably would be hostile. After all, you would ask, what does the value of my property have to do with how much electricity I use? The answer of course is nothing.

The same is true of municipal services. That is why more and more municipalities are turning to the 'user-pay' principle for those services where consumption is easy to 'measure'.

Unfortunately, the concept of user fees is getting a bad name because some local politicians are not introducing them on a revenue-neutral basis. If the cost of supplying water or garbage disposal, or maintaining a local arena or library, is moved to a user-fee basis, then fairness dictates that there should be a corresponding reduction in the property tax rate. But some municipalities aren't playing fair and are simply adopting user fees as an underhanded method of squeezing more out of taxpayers to offset reductions in provincial transfer payments.

But how should taxpayers pay for those services that you can't slap a meter on or charge an entrance or user fee for? Services which are essential to a community and which everyone relies upon such as policing, fire protection, and road maintenance.

If the value of your home or business has nothing to do with the electricity it consumes and what you pay for that usage, then what's fair or rational about a property tax assessment system that ties that same value to the amount of taxes you should pay for municipal services?

The answer is crucial when it comes to deciding the equity standard that Ontarians want in a reformed property tax system.■

Inside out and upside down

by Paul Pagnuelo

It's a mistake all of us have made at one time or another. Something needs to be fixed. But by rushing to get the job done quickly, the final result ends up being a disaster.

In deciding how to reform Ontario's antiquated property tax system, Municipal Affairs Minister Al Leach has come up with a new tax system before having decided what it is that's going to be taxed. And in so doing, the Harris government is headed for a bigger mess than the one it started out to clean up.

If you were building a new house, you wouldn't hire a contractor and order the construction materials before the architect was finished drawing up the plans. Nor would you drywall and paint the interior before running the wiring and plumbing. Similarly, if you were renovating a century-old home, you wouldn't finish the upper two floors before repairing the crumbling foundation. And you wouldn't arrange the mortgage before knowing how much money is actually going to be needed and whether you can afford the payments.

Municipal governance, disentanglement, and property tax reform are all ambitious undertakings. But like building a new house or renovating an old one, there's a certain order to getting the job done right.

Education; fire protection; policing; public transit and transit for the disabled; local, collector, county, arterial and regional roadways; parking; street lighting; storm and sanitary sewer systems; water works plant and distribution systems; garbage collection and disposal; public health inspections; cemeteries; parks and recreation; libraries; planning and zoning; economic development; agriculture and reforestation; cultural activities; conservation authorities; hospitals, public health and ambulance services; welfare assistance; public housing; homes for seniors; child care.

How many levels of government and which level should deliver and fund these services needs to be sorted out first. The next logical step is to determine how those services which end up at the local municipal level should be paid for. Those which should be financed strictly by user and licensing fees need to be separated from those which should be funded by a general levy against each property.

The final and most difficult step is determining the nature of the general levy. Should the cost of certain services be shared equally by all properties? Should the cost of others be divided on the basis of size or value with usage being a factor?

Providing answers to determine who should do what, who should pay for what, and how to pay for what are the essential building blocks to sensible municipal tax reform.

Leach may have a pretty good idea about the type of home he wants, but he's starting out by hooking-up the sewer-pipes to the water main.

He's arranged the mortgage, hired the contractor, ordered the materials and started the construction, before the architect has even shown him the plans and the building permit has been obtained.

By doing so, he's going to upset his neighbours, contravene the building code, pile up unnecessary bills, and end up with a condemned building and a mortgage he can't afford.■

In the rush to change the system, Municipal Affairs Minister Al Leach is wanting to put up the building without first constructing the foundation.

Who's that knocking at your door?

By Paul Pagnuelo

An army of tax collectors has been given its marching orders. The assault on taxpayers will be massive.

Municipal Affairs Minister Al Leach wants to reform Ontario's property tax system, using Actual Value Assessment (AVA) and 1996 property values. He wants it in time for the 1998 municipal tax bills. In order to make this turkey fly, the Provincial Assessment Division has convinced Leach that the job can be done without the Harris government being stung in the process. Despite assurances that it can be delivered on-time, on-cost, and with a high degree of integrity using its own resources and contract staff, the private sector was also invited to bid on all or part of the project.

It's the biggest re-assessment project ever in North America, costing almost $61 million for openers. Province-wide re-assessment involves the valuation of over 3.8 million properties, 5.5 million structures and 5.6 million assessable units, all within a timeline of 18 months.

With millions on the table up for grabs, one would expect private sector firms to be tripping over themselves for a piece of the action. Surprise! Sources reveal that because the process is so fundamentally flawed and guaranteed to fail, the private sector is shunning the project. They don't want to put their own hard-earned reputations on the line.

As the whole exercise of fixing Ontario's property tax system continues to evolve, it becomes increasingly apparent that the agenda and the whole process for assessment reform were hijacked from the very start by the tax collector bureaucracy.

How else does one explain the fact that there never was a serious examination or consideration of alternative assessment systems, either by the Golden Task Force or by David Crombie's 'Who Does What' Advisory Panel?

How else does one explain why the findings of Libby Burnham's GTA Review Panel, in respect to assessment reform, were ignored?

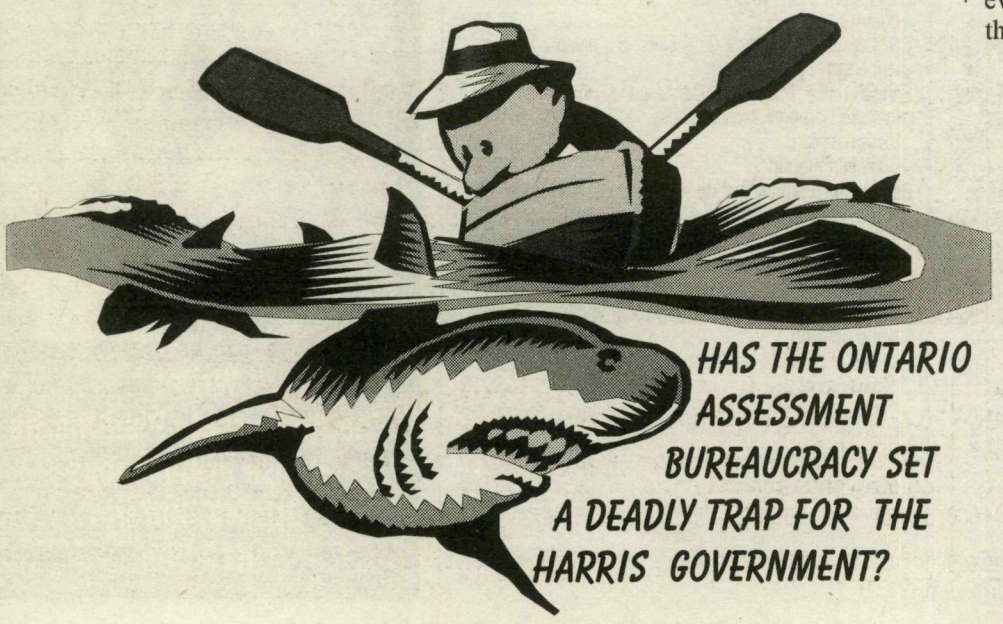
How else does one explain why the views of taxpayers - the people who will pay for the consequences of these decisions - have been completely dismissed?

How else does one explain the fact that the Harris government which was elected on the basis of a 'common sense' fiscal platform has chosen to go with the highest-cost, most labour-intensive solution? One which will hit implementation gridlock and self-destruct, just as Ontario readies itself for the next provincial election.

It's clear that the assessment bureaucracy has one prime objective - to secure its own continuous employment. Civil servants are well aware of the political risks involved with AVA, but have silenced the alarm bells at Queen's Park. They've convinced the Harris government to unplug the phones and to lock the doors.

The Harris government, like others before it, has been captured by the power of the bureaucracy. No wonder public opinion polls reflect an increasing lack of faith in politicians and big government.

Rushing in a flawed, failed property tax system that hires more tax collectors and angers taxpayers makes no political or common sense. Taking the time to research, develop and implement a made-in-Ontario alternative that taxpayers will support does. ■



More handouts to business

The following is a list of just a few of the grants and contributions handed out by the Federal Department of Industry in fiscal year 1994-95. In the 1996-97 fiscal year, the Department will be overseeing the spending of about $3.7 billion. This includes the spending by a number of federal agencies such as the Atlantic Canada Opportunities Agency, Western Economic Diversification and the Federal Office of Regional Development which also provide financial assistance to business. The list below only includes financial assistance provided by Industry Canada and doesn't include financial assistance handled by any of the agencies. The list includes the name of the company or person receiving the funding, its purpose and the amount.

1022220 Ontario Ltd., Blind River, Ont. - build tourism resort & accomodation ... $88,000
1995 World Nordic Ski Championships, Thunder Bay, Ont. - augment existing marketing ... 90,000
International marketing program ... 98,000
591036 Saskkatchewan Ltd, Debden, Sask. - operating costs for pawn shop ... 23,000
7068614 Ontario Inc., Muncey, Ont. - est. Walpole Island sporting clays and pheasant preserve ... 11,250
996435 Ontario Ltd, Lively, Ont. - establish 18-hole golf course ... 100,000
Albert Fontaine, Bird River, Man. - maintain gold prospecting claim ... 4,500
Almaguin-Nipissing Travel Assoc. Inc., North Bay, Ont. - coordinate & host a 2-day air show ... 56,700
Angele Fidler & Keith Perrin, Rosthern, Sask. - acquire fast food outlet: King's Fried Chicken ... 15,000
Business support ... 2,400
Archie Robillard, Chicken Reserve, Sask. - expand pool hall & arcade - business plan ... 2,250
Bande Naskapis du Quebec, Kawawachikamach, Que. - commercial caribou hunt program ... 13,950
Bernard Badger, Grande Prairie, Alta. - establish video outlet - business plan ... 2,700
Bill Parenteau, Wabigoon Lake, Ont. - acquire and renovate existing tavern ... 59,440
Bob Hamilton & David Petrovitch, Whitehorse, Yukon - produce a compilation of Yukon musicians ... 4,375
Cape Breton Highlands Golf Club Soc., Victoria, NS - golf clubhouse construction ... 275,000
Candy-Lea Chickite, Campbell River, BC - acquire a lottery vending business ... 15,000
Champion Feed Services, Grande Prairie, Alta. - expansion to double-clean oats for racehorses ... 34,650
Clarence & Sharon Derrick, Prince George, BC - expand snowboard/skateboard shop ... 23,210
Cletis Louis, Samson, Alta., - bus. plan: arcade ... 1,800
Conseil des Montagnais duLac St-Jean, Kahnawake, Que. - bowling alley ... 4,260
Cyril Sheppard, St. George's, Nfld. - establish horse riding stable ... 14,251
D. Dale Turner, Saskatoon, Sask. - purchase truck for delivery service - micro ... 15,250
Business plan grant ... 900
D.A. Saw & Mill Maintenance Service, Atmore, Alta. -establish saw shop ... 4,705
D.G. Payne Construction Ltd., Improvement Dist. #17, Alta. - expand gravel hauling operation ... 31,032
Daco Contracting Ltd., Lebret, Sask. - business plan - loan guarantee for construction mgmt. co ... 7,762
Dakota Fire Equipment, Winnipeg, Man. - business support grant ... 1,275
Expand fire equipment business ... 18,847
Dakota Ojibway Community Future Dev. Corp, Wpg, Man. - aborg. directory in Man. Travel Guide ... 17,140
Dale & Wayne Peterson, Alert Bay, B.C. - aftercare - loan guarantee ... 7,704
Dale Hvatum, Inuvik, N.W.T. - purchase a carpet cleaning business ... 7,740
Dale Krock, Strathcona County #20, Alta. - establish specialized heavy transportation ... 79,500
Dallas Brock, Garden Bay, B.C. - commercial project for hotel ... 67,500
Dallas Brock, Sunshine Coast, Subd. A, B.C. - purchase remaining shares in existing hotel ... 5,000
Daniel Hohn, Westbank, B.C. - expand logging contract business ... 39,000
Daniel Tessier, Cutler, Ont. - capital: Jeannie's Fashions ... 9,594
Business plan grant ... 1,500
Darrell and Rosemarie Breaker, Strathmore, Alta. - business plan: mixed farm ... 3,750
Darrell B. Morrison, Hazelton, B.C. - expand silviculture business ... 3,000
Darrell Kelly Ward, Winnipeg, Man. - business support grant ... 1,275
Establish restaurant ... 17,860
Business plan ... 2,400
Darren Vivier, Winnipeg, Man. - expand carpentry business ... 14,905
D. Johnston, Calgary - est. microwave repair ... 6,225
Datasym Inc., Brantford - diagnostic review ... 7,500
Marketing study ... 37,500
Datrend Systems Inc., Burnaby, B.C. - attend MD & MC 95' conference ... 1,000
Diversify product line & mfg quality instruments 18,250
Dave Martin, Six Nations (Part) 40, Ont. - capital: Dave Martin ... 35,800
Marketing ... 2,100
Business support ... 3,000
Dave Shirley Liquid Manure Hauling Ltd., Red Deer, Alta. - aftercare/office procedures ... 6,750
David Austin, Spruce Grove, Alta. - establish green house operation ... 85,000
David E. Traverse, Lake St. Martin, Man. - expand cattle operation ... 78,762
Business support grant ... 1,500
Business plan grant ... 3,750
David Etienne, Oka 16, Que. - establish Chester Fried Chicken outlet ... 3,825
David J. Johnson, Hazelton, B.C. - business plan for silviculture business ... 3,000
David Stoneman, Winnipegosis, Man. - est. cattle freeze branding & hoof trimming business ... 16,700
Dawson City Museum Historical Soc., Mayo, Yukon - send manager to conference ... 700
Dean K. Herman, Bear Creek, Sask. - establish logging operation ... 13, 545
Business support ... 4,000
Business plan ... 2,250
Dean Pickell, Kenora, Ontario - establish marble mfg facility ... 50,000
Debbie Morrison, Pointe-A-La-Croix, Que. - toy sales - new business ... 2,250
Deborah Lloyd & Alana Martin, Medicine Hat, Alta. - business plan: gift & fast food operation ... 3,525
Debra Lynn and Ken Geisler, Redwater, Alta. - acquire poultry operation ... 99,900
Delford Bob, Onegaming First Nation, Ont. - support for gas bar/confectionery business ... 2,400
Delorme Dale Farms, Sturgeon Falls, Ont. - business support: Delorme Dale Farms ... 1,500
Delphine Ross, Montreal Lake Reserve, Sask. - establish confectionery & laundromat ... 32,590
Business support ... 6,000
Business plan ... 1,875
Delta Native Fishermen's Assoc., Fort Chipewyan, Alta. - upgrade plant, expand equipment ... 26,400
Dene Cultural Institute, Hay River, NWT - research business opportunities from land claims ... 75,000
Business plan: wholesale arts/crafts business ... 5,625
Denendeh Development Corporation, Yellowknife, N.W.T. - strategic planning workshop ... 18,000
Denis Corbiere, West Bay, Ont. - business plan: Corbiere Trucking ... 7,500
Denis Gagnon, Duck Lake, Sask. - business plan: cattle farm expansion ... 3,263
Dennis and Evelyn Mousseau, Savant Lake, Ont. - business plan—Vista Lake Outfitters ... 4,125
Dennis Fitzgerald, Edmonton, Alta. - est. mobile dressing rooms ... 71,000
Business plan ... 2,250
Dennis J. Wells, Port Simpson 1, B.C. - business plan to purchase a fishing vessel ... 2,250
Dennis McCarthy, Winnipeg, Man. - modernize lathing business ... 4,800
Dennis Murdock, Fisher River First Nation, MB. - establish masonry business ... 16,750
Dennis O'Soup, Canora, Sask. - bus. support ... 6,000
Expansion of gravel trucking operation ... 58,175
Business plan ... 2,625
Department of Tourism & Culture, Grand Bank, Nfld. - Comm. Museum-Greater Lamaline Dev. Assoc. Miner's Museum ... 19,960
Department of Tourism & Culture, St. John's,s Nfld. - Japanese training program ... 16,000
Derek Stanley Erlendson, Eddystone, Man. - business support ... 4,980
Acquire Eddystone General Store ... 74,128
Derlan Aerospace Canada Limited, Milton, Ont. - market access ... 23,250
Devine Fisheries Inc., Coldwater, Ont - convert existing facility to fish farm, purchase equipment ... 75,750
Diamond Enterprises, Waskaganish, Que. - install a Chester Fried Chicken Outlet ... 70,000
Diane Lea, Leaf Rapids, Man. - business plan to establish restaurant/lounge ... 3,825
Dianna Lee Emes, Edmonton, Alta. - modernize or acquire a gillnetting business ... 54,000
Dianna Neuman, Prince Rupert, B.C. - establish a bed & breakfast business ... 27,250
Dianne Leippi, Brentwood Bay, B.C. - expand and modernize auto repair business ... 44,500
Dididaht Dev. Corp., Port Alberni, B.C. - establish a 9-unit motel in Dididaht ... 99,500
Dinah Littlechief & Loretta Gosslin, Westbank, BC - mobile self-contained kitchen van ... 8,500
Dididaht Indian Band, Port Alberni, B.C. - establish a forest products company ... 36,135
Dolores F. Levesque, Nakina, Ont. - business plan: tourist cabin ... 3,750
Dolphus Gadabushie, Sudbury, Ont. - capital: contracting operation ... 52,650
Dominion Mineral Industries Inc., Capital, B.C. - establish a stone mining business ... 2,625
Establish stone mining business - Kelowna ... 21,375
Don Cada, Sheshegwaning, Ont. - expand school bus service ... 19,000
Don Ense, West Bay 22, Ont. - establish carpentry and cabinet making operation ... 16,375
Donald Arthur Bouvette, Innisfail, Alta. - business plan: expand welding operation ... 3,000
Donald B. Pooyak, Sweet Grass Reserve, Sask. - expand hog farm operation ... 66,850
Business support ... 6,375
Donald Campbell, Moose Lake 31A, Man. - purchase bombardier for fishing operation ... 7,050
Donald Frank Edenshaw (Aka Jimmy), Vancouver, B.C. - expand art business ... 11,250
Donald Robert Starr, Waglisla, B.C. - commercial project ... 20,000
Expand taxi service ... 4,050
Dorothy Grant Ltd., Vancouver, B.C. - establish a marketing plan for store opening ... 39,000
Dorothy Scott, Napanee, Ont. - capital for saddlery and equestrian store ... 17,160
Business plan ... 1,500
Dorothy, Arthur & Natalie Grieves, Oxford House, Man. - establish restaurant/handicraft store ... 34,288
Business support ... 1,875
Dot Beaucage Kennedy, North Bay, Ont. - capital for Duchesnay Store ... 13,750
Aftercare ... 4,500
Douglas Kostering, Vancouver, B.C. - purchase a gillnet fishing vessel ... 49,500
Business plan ... 1,875
Douglas P. Burke, Milltown-Head of Bay D'Espoir, Nfld. - aftercare: auto salvage/towing business ... 4,460
Douglas P. Burke, St. Alban's, Nfld. - establish auto salvage ... 38,336
Downtown Business Revitalization Assoc., Grande Prairie, Alta. - marketing study for Crystal Gardens Tourism Centre ... 7,009
Doyletech Corporation, Kanata, Ont. - analysis of supply capability/envir. prod ... 50,000
Dreamspeakers Festival Society, Edmonton, Alta. - annual Arts Festival ... 23,750
Drew, Mr. Clyde, Division No. 3, Subd. E, Nfld. - marketing: art carving business ... 5,117
Duck Mountain Contracting Ltd., Leduc Cty, Alta. - est. diamond drilling operation ... 3,000
Duke Beardy, Split Lake, Man. - est. cable television service business ... 3,750
Duke River Trading Co. Ltd., Burwash Landing, Yukon - business support for store ... 4,500
Dwayne Louis Provost, Peigan, Alta. - establish pawn shop ... 4,900
Dynamic Oil Tools Inc., Calgary - develop line of hydraulic tools-multiple piston config ... 25,000
Eagle Stone Ltd., Denare Beach, SK - establish a stone quarry ... 49,500
Earl Campbell, Sardis, B.C. - establish a gas bar/convenience store ... 70,000
Earl Lawrence, Brandon, Man. - expand/modernize "Westman Air Compressors" business ... 45,700
Business plan ... 2,250
Business support ... 4,500
Earlton Zoo, Earlton, Ontario - construct a new wolf enclosure ... 32,320
Ecolink Forest Services Ltd., Williams Lake, B.C. - expand silvaculture business ... 49,000
Economic Dev. For Cdn. Aborig. Women Inc., Ottawa, Ont. - research leading to submission to the women's world banking ... 47,000
Ed Starr and Arnold J. McCauley, Winnipeg, Man. - business support ... 3,750
Est. faucet retail/installation/repair business ... 13,545
Business plan to establish plumbing bus ... 2,520
Ed-Mack Machine Works Ltd, North Bay, Ont. - develop quality assurance program ... 18,900
Edmond Mestenapeo, La Romaine 2, Que. - business plan: adventure tourism operation ... 16,088
Edna Weber, Flying Dust Reserve, Sask. - expand butcher shop ... 11,500
Edward James Kozeyah, Manitoulin, Mainlan, Ont. - capita: gas bar ... 25,242
Edward Kelly Carpenter, Waglisla, B.C. - purchase a gillnet fishing vessel ... 33,200
Edward R. Smith, Winnipeg, Man. - establish floor/carpeting sales and service business ... 14,417
Edwin Yellow Horn, Pincher Creek, Alta. - expand cow/calf operation ... 49,900
Eel River Bar Dev. Corp. Inc., Dalhousie, N.B. - study: traditional Indian plant garden ... 2,821
Consulting for tourism research ... 18,750
Fund seasonal students ... 11,347
Marketing workshop, Washington ... 6,900
Elaine Simon, Burnt Church, N.B. - expand existing convenience store ... 10,935
Eldon Stewart McCue, Curve Lake, Ont. - expand musical band operations ... 1,350
Elizabeth Margaret Roulette, Amaranth, Man. - business support ... 3,000
Purchase gas station ... 61,725
Business plan ... 1,875
Ella Gagnon, Nakina, Ont. - capital: Big Wheel Snack Shop ... 22,640
Business support ... 7,434
Elliot Lake Mfg & Recycling, Elliot Lake, Ont. - R&D re clothing for special needs children ... 34,770
Elmer Lewis, Cape Breton, N.S. - purchase equipment for metal fabrication business ... 2,619

Tired of subsidizing Mary Kay consultants & tattoo parlours?

Write:
The Honourable Paul Martin
House of Commons
Ottawa, Ontario
K1A 0A6

Emmanuel Polchies, Oromocto, N.B. - est. arts & crafts retail . . . 13,500
Energreen Enterprises Inc., Ramore, Ont. - construct building & purchase equipment . . . 30,000
Engineering Services Inc., Toronto, Ont. - develop robotic system for ultrasonic inspection . . . 50,000
Enid Mary Snider, Thunder Bay, Ont. - capital for landscaping operation . . . 13,830
Enseignes Lac St-Jean, Dolbeau, Que. - acquire existing neon sign business . . . 23,170
Environmental Services Assoc., Edmonton, Alta. - envir. industries strategy workshop . . . 7,900
Envir. market and industry research project . . . 25,000
Eric Bell, La Ronge, Sask. - purchase ambulance care service . . . 88,000
Business support . . . 11,750
Business plan . . . 6,795
Eric Johnston and Paul Jones, Wiarton, Ont. - business support: commercial fishing operation . . . 2,000
Capital . . . 25,896
Eric Thomas Fortin, Thompson, Man. - business plan . . . 1,388
Establish "Haye's Towing" business . . . 26,100
Business support . . . 3,600
Erick (Rick) Stevens, Sturgeon Falls, Ont. - business plan for fox farm . . . 2,250
Ernest Blacksmith, Cross Lake, Man. - purchase ambulance/equipment . . . 35,662
Business plan to establish ambulance service . . . 1,875
Ernie & Lynn Bruetsch, Waldhof, Ont. - expand lodge, erect two cabins, winterize . . . 69,000
Ernie Lewis, Winnipeg, Man. - purchase long haul tractor truck . . . 47,600
Business support . . . 1,700
Escom Software Services Ltd., Burnaby, B.C. - develop marketing strategy . . . 37,500
Esnagami Winderness Lodge, Nakina, Ont. - expand to deluxe American-style resort . . . 29,850
Estelle D. Smith, Mattawa, Ont. - business plan #2 for Two Rivers Motel and Restaurant . . . 1,500
Business plan(#1) . . . 5,025
Esther Winder, Kamloops, B.C. - establish a waste transportation business . . . 54,000
Ethel & Brian Harte, Thompson, Man. - business support . . . 2,625
Acquire Chicken Delight franchise . . . 40,000
Business plan . . . 2,925
Eugene Kotash, Wabasca, Alta. - business plan: gravel hauling . . . 2,700
Eugene Sewid, Campbell River, B.C. - purchase seine fishing vessel . . . 49,500
Everett & Zita Laboucan, Improv. Dist. #17, Alta. - expand cow/calf operation . . . 73,000
Business plan . . . 3,750
Everett Carpenter, Roos River, Yukon - feasibility study: MacMillan River & Trapline Tours . . . 4,130
F. Melvin Wabegijig, Sudbury, Ont. - business plan for North Shore Harvest . . . 1,125
Fairview College, Fairview, Alta. - small business development program; business skills . . . 10,400
Liming field plot research . . . 35,000
FC Airodyne Kilns Ltd., Kelowna, B.C. - axial-based heat fan . . . 20,000
Federation Of Saskatchewan Indian Nation, Saskatoon, Sask. -fashion show . . . 9,500
Felix Thomas, Ahousaht, B.C. - expand existing water taxi business . . . 21,800
Festival Intl. De Jazz De Montreal, Montreal - 15E edition du Festival De Jazz De Montreal . . . 65,000
Festival Juste Pour Rire, Montreal - promotion: imprimes, television, radio, metro/bus, France . . . 70,000
First Nations Artists Corp, North Vancouver, B.C. - est. a First Nations artists corp . . . 10,500
First Nations Buying Co-op Inc., Summer Beaver, Ont. - Phase II - First Nations Buying Co-op . . . 8,400
First Nations Communications Inc., Ottawa, Ont. - business support . . . 11,400
First Nations Home Care Services, Couchiching, Ont. - bus. plan for community home care . . . 6,000
Business plan to est. home care service . . . 9,000
First Nations Music, Scarborough, Ont. - marketing campaign for recording studio . . . 58,000
Trade conference—First Nations Music . . . 11,700
First Nations Resource Council, Edmonton, Alta. - est. tourism association . . . 15,000
First Nations Travel Inc., Ottawa, Ont. - travel & related costs for youth workshop . . . 27,800
Business plan for First Nations Travel . . . 2,250
Fishing Lake Metis Settlement, Sputinow, Alta. - training program for administration staff . . . 50,000
Fletcher Challenge Canada Ltd., Vancouver, BC - water use reduction monograph . . . 50,000
Florence Chartrand, Winnipeg, Man. - establish extended home care business . . . 7,200

Business subsidy?

North Channel Wholesale Ltd., Iron Bridge, Ont. - study re tobacco/food wholesale operation . . 14,925

Florence Gaucher, Edmonton, Alta. - business plan: acquire restaurant . . . 2,250
Florian Maurer Architect Ltd., Whitehorse, Yukon - Siberian marketing . . . 2,100
Floyd Clause, Six Nations (Part) 40, Ont. - capital for Clause's Auto . . . 20,000
Marketing plan . . . 1,800
Business plan . . . 2,250
Business support . . . 2,250
Flying Dust Indian Bands, Sask. - business support for expanding farming operation . . . 3,067
Expand grain farm into cattle operation . . . 94,040
Business plan . . . 3,000
Forintek Canada Corp., Ottawa, Ont. - combustion of structural panels . . . 35,000
Fort Babine Enterprise Society, Smithers, B.C. - marketing for lodge/hotel . . . 10,000
Business support . . . 5,400
Fort Chipewyan Historical Society, Fort Chipewyan, Alta. - traditional Native craft workshops . . . 6,175
Fort George/Buckingham House Society, Elk Point, Alta. - enhance historic site . . . 8,435
Fort Hope Band, Thunder Bay, Ont. - business support for Eabametoong First Nations . . . 18,000
Capital . . . 45,791
Fort Vermilion Board of Trade, Fort Vermilion, Alta. - boat launch and dock . . . 5,170
Fortier Beverages Limited, Cochrane, Ont. - expand existing facility . . . 49,000
Forum for Int'l Trade Training, Ottawa - translation of Nexpro program training pkg . . . 50,000
Foundation for Int'l Training, Toronto - capacity building for cleaner production . . . 80,000
Four Eagles Production Ltd., Calgary, Alta. - expand video production operation . . . 14,425
Four Feathers Gas Bar, Big Grassy First Nation, Ont. - business support . . . 3,600
Fournier Communication Art Inc., Vancouver, B.C. - expand and modernize . . . 22,300
Business support . . . 3,150
Fox Lake First Nation, Gillam, Man. - business plan to construct air terminal building . . . 14,250
Francis and Ronna Bruyere, Dryden, Ont. - establish sports lounge/grill . . . 71,250
Francis Hudson and Langford Swain, Berens River, Man. - expand fishing operation . . . 2,625
Francois Ducharme, Winnipeg, Man. - acquire custom printing business . . . 11,800
Franklin and Birgit Knott, Warsaw, Ont. - expand sheep farm to wool/yarn outlet . . . 16,375
Fred Yassie, Tadoule Lake, MB. - business plan to establish poolhall business . . . 1,875
Freda G. Koochicum, Peepeekisis Reserve, Sask. - establish craft store . . . 10,175
Frederick McKenzie Glendale, Sparwood, B.C. - Est. tourist-related wagon/sleigh rides . . . 14,500
Frederick Paskemin, Sweetgrass Reserve, Sask. - business support . . . 2,250
Establish a road grading business - micro . . . 15,000
G. Dennis Samson, Ermineskin, Alta. - business plan/est. funeral home/services . . . 3,750
G. Dennis Samson, Samson, Alta. - business plan/expand burial vault mfg . . . 2,250
G. Steve English, Pegan, Alta. - establish lawn care operation . . . 5,000
G660 Holdings Ltd., Kamloops, B.C. - expand business relating to sewer hookups . . . 49,000
Gabriel Archibald, Cochrane, Ont. - capital: Gabe's Convenience . . . 8,171
Gabriel Gopher, Saulteaux Reserve, Sask. - expand cow/calf operation . . . 94,587
Business support for project . . . 4,875
Gail Hepworth, Winnipeg, Man. - operating costs/marketing for deli business . . . 12,000
Garden River Development Corp., Garden River, Ont. - feasibility study: gravel pit . . . 15,525
Establish concert grounds . . . 18,750
Garnet James Ace, Grimsby, Ont. - marketing . . . 7,200
Est. Garnate James Ace Elite Hockey Inst . . . 10,950
Garry Monteith, Washago,Ont. - trucking bus . . . 44,082
Garry Parenteau, Saskatoon, Sask. - business support for trucking operation . . . 3,8500
Garth R. Asham, High Bluff, Man. - expand farm operation (cattle) . . . 97,110
Business support . . . 2,000
Gary Eshkowkogan, Wikwemikong, Ont. - modernize/expand timber harvesting operations . . . 33,500
George Jim, Seine River, Ont. - bus. support . . . 4,550
Expand general store business . . . 20,000
Business plan . . . 3,750
George Marshall Jr., Chapel Island, N.S. - purchase navigational equipment . . . 4,308
George P. Kelley, Hinton, Alta. - business plan for lodge . . . 9,375
Georges Roy Jr., Longueuil, Que. - stringing tennis rackets . . . 3,330
Gerald Robinson, Terrace, B.C. - To establish a contracting business . . . 97,200
Germaine Reynolds, Penetanguishene, Ont. - capital for Ger. Lawn Care & Snow Removal . . . 26,870
Gervais Group of Companies Inc., Edmonton, Alta. - establish tutoring operation . . . 27,000
Giffen & Ptnrs, London, On. - Global Vision 94 . . . 5,000
Gift Lake Dev't Corp, Gift Lake, Alta. - complete capital expenditure phase of tourism plan . . . 11,125
Gilbert Rene Jacko, Wikwemikong, Ont. - est. Gilbert Jacko's Harvesting operation . . . 35,100
Gilles Gros Louis, Village-Des-Hurons, Wendake, Que. - marketing of Aboriginal products . . . 6,750
Gilles Lavallee, Compeer, Alta. - operating costs for trucking operation . . . 18,000
Ginoogaming First Nations, Longlac, Ont. - consulting . . . 29,137
Feasibility study: wood waste storage/disposal . . . 22,819
Ginoogaming First Nations, Ginoogaming, Ont. - feasibility study: retail store . . . 9,668
Ginwat-Cable Television Inc., Oka, Que. - train staff in technical service and mgmt-TV . . . 9,375
Glen & Josephine Worm, Kawacatoose Reserve, Sask. - expand conv. store; add gas bar . . . 14,000
Glen Oakes, Nekaneet Reserve, Sask. - business support . . . 7,500
Expand cow/calf operation . . . 63,150
Business plan . . . 3,375

THE CANADIAN TAXPAYERS FEDERATION
ACROSS CANADA UPDATE

Lorette, MB - The CTF's campaign to defend the "no" result of a tax hike referendum in the Manitoba town won a well-publicized, precedent setting victory on Wednesday, September 18. The semi-judicial municipal board quoted CTF arguments, made by researcher Victor Vrsnik, almost verbatim in its decision to force the town council of Lorette to respect the referendum results.

Toronto, ON - Paul Pagnuelo and Jason Kenney made presentations to a Standing Committee of the Ontario Legislature on citizen's initiatives. The presentations, which strongly supported initiatives and referendums, were made September 9 and 10th.

Windsor, ON - On September 19 & 20, CTF President Jason Kenney addressed three workshops at the Canadian Police Association's annual convention.

Regina, SK - Moira Wright, CTF Executive Director in Saskatchewan, fielded media calls from across Canada following the CTF's national release on grants to women's organizations. She also did a number of radio-talk shows on the subject including the Ontario-based Roy Green show.

Victoria, BC - The CTF-BC office has been responding to media calls for the month of September surrounding charges against the CTF regarding contravention of the B.C. government's GAG law which severely limits freedom of speech for average taxpayers during election campaigns. Jason Kenney appeared on the province-wide radio talk show (CKNW) to discuss the GAG law issue.

Winnipeg, MB - The Manitoba office of the CTF initiated a "Waste Alert" campaign in September urging supporters to call on Federal Human Resources Minister, Doug Young, encouraging him to stop his department from developing new programs in order to spend $65 million which they discovered was left over in this year's budget. In a memo to Young, senior bureaucrats advised that the money be spent on new programs to ensure they don't lose the money next year.

Edmonton, AB - A leaked report to the media on MLA pay and expenses resulted in a number of media calls to the Alberta office in the third week of September. James Forrest, Executive Director of the Alberta office, commented that it was time for the provincial government to end the tax-free allowances for Alberta MLAs. He also said that the provincial government needed to establish some method of ensuing accountability of expense claims in order to regain credibility with provincial taxpayers.

Regina, SK - Moira Wright was interviewed extensively by the Canadian Press regarding balanced budget legislation, comparing Saskatchewan 's legislation to those in other provinces.

Canada - The CTF was quoted extensively in publications across Canada in the month of September. Various mentions included, an article in the *Financial Post* written by the publication's editor Dianne Francis and *Canadian Business/Profit Magazine* which featured an article by Jason Kenney, As well, taxpayer representatives were on a number of talk shows including the David Rutherford show in Alberta, the Roy Green show in Ontario, and Rafe

Glenco Building Products Ltd., Fort Qu'Appelle, Sask. - business plan; loan guarantee 9,750
Glenda P. Long, Six Nations (Part) 40, Ont. - expansion of Long Transport 24,000
Gloria Fisher, Muncey , Ont. - expand Gloria Fisher Photography 17,460
God's River Dev. Corp., God's River, Man. - expand God's River Lodge 30,000
Business plan 3,750
Golden Triangle Marketing Consortium, Whitecourt, Alta. - promote/market "Golden Triangle" Snowmobile Trail system 5,500
Gordon Albert Roque, Sudbury, Ont. - capital . . . 20,900
Marketing 1,800
Gordon Indian Reserve, SK - business plan to est. mini-mall 19,125
Gordon Hamilton, Bloodvein, MB. - establish wood cutting operation 11,000
Gordon J. McKay, Pine Creek Reserve, MB. - business support 3,000
Establish construction business 44,250
Gordon Gervais, Prince George, BC -aftercare 5,400
Establish a billiards club 66,600
Gordon W. Burham, Six Nations (Part) 40, Ont. - business support: crop farm 1,125
Business plan 750
Capital 31,278
Gordon Wesley, Cat Lake, Ont. - business plan: restaurant 5,625
Gordon, Gary & Darwin Bear, Little Red River Reserve, Sask. - business support 4,937
Expand bison cow/calf operation 86,240
Business plan 5,475
Gosap Energy Inc., Calgary, Alta. - oil/gas consortium; training in the int'l bidding process 15,000
Government of Yukon, Whitehorse, Yukon - non-gov't mgmt committee expenses 1,400
Grace Francis, Truro, NS - craft business. 12,224
Grace's Cakes, Kahnawake, Que. - expansion/modernization of building/equipment 4,575
Grand Rapids Fishermen's Co-op, Grand Rapids, Man. - feasibility study: fish processing bus. 30,000
Grande Cache C. of C., Grande Cache, Alta. - build tourism & interpretive centre/picnic grounds 87,490
Grande Prairie Reg. College, Grande Prairie, Alta. - centre for enterpreneurial training/support 30,654
Great Barriers Inc., Edmonton, Alta. - expand furniture refinishing 99,900
Business plan 1,875
Great Whale Rafting Excursions, Whapmagoostui, Que. - implementation 35,463
Greg and Allen Gilbert, Winnipeg, Man - est. franchise store for metal products 37,250
Business plan 9,375
Greg Wambdiska, Griswold, Man. - establish arcade/confectionery business 22,040
Business plan 1,800
Gregory Samuel White, Masset, B.C. - develop a bait and tackle shop 6,600
Grey Owl Marketing Ltd, Prince Albert, Sask. - business support for wild rice marketing co. 50,000
Loan insurance 50,000
Business plan 5,036
Groupe D'Interet en Normes Int'l, Montreal, Que. - first int'l spice syposium 8,500
Hong Kong Spice mtg, Dec.94 9,500
Guy & Donna Dumont, Prince Albert, Sask. - business plan; est. indoor archery lanes 3,000
Hagwilget Indian Band, New Hazelton, B.C. - est. a commercial dev. complex for lease 16,470
Hanson's Wilderness Lodges Ltd, Nestor Fall, Ontario - modernize facilities 25,000
Harbor Vue Marina Limited, Little Current, Ont. - expand/upgrade facility 65,000
Harold Leo, Kyuquot, B.C. - purchase a seine fishing vessel and "A" license 99,500
Harrison Landing Marina Ltd., Carling, Ont. - constr. storage bldg & shop/office; equip. 49,734
Harry Bill, Pelican Lake Reserve, Sask. - establish forestry trucking business. 22,100
Business support 5,500
Business plan 1,500
Harvey Bell, Sudbury, Ont. - study: heavy equipment rental business 9,262
Harvey Denechoan, Hay Lake, Alta. - business plan/est. bobcat services 3,000
Heather King, Thunder Bay, Ont. - capital 7,290
Marketing 900
Heber Clifton, Prince Rupert, B.C. - upgrade/modernize existing fishing vessel 16,000
Heli-North Aviation Inc., Garson, Ontario -overhauls/maintenance/mfg 52,450
Henderson Paskemin, Sweet Grass Reserve, Sask. - est. elec. contracting business 15,000
Business support 3,000
Business plan 1,500
Henry and Kenneth Shawana, Wikwemikong, Ont. - expand fishing operation 10,725
Henry James Michon, Thunder Bay, Ont. - capital: heavy equip. repair service 47,500
Henry W. McDonald, Shubenacadie, N.S. - new freightliner truck 20,100
Herb and Sons Fishing Ltd., Richmond, B.C. - more shares in fishing vessel 72,000
Herman & Patricia Turner, Grand Rapids, Man. - backhoe & tandem for constr. bus. 23,350
Business plan 2,250
Business support 3,750
Herman Baptiste, Peigan, Alta. - expand cow/calf operation 49,900
Business plan 3,750
Herman Wemigwans, Manitoulin, Mainlan, Ont. - expansion of trucking business 32,400
Hi-Bea Enterprises Ltd., Hilton Beach, Ont. - upgrade cabins, expand recreational area 46,875
High Prairie & Dist. C. of C., High Prairie, Alta. - import, replacement & opportunity study 12,500
High Prairie Auto Sales & Salvage Ltd., High Prairie, Alta. - expand auto wrecking operation. 25,000
Business plan. 4,050
Hilbert Moziondz, Wabowden, MB. - business support 2,700
Purchase tractor/trailer for logging business . . . 52,000
Business plan. 3,431
Hodgson Saw & Knife Ltd., North Bay, Ont. - modernize operation; purchase equip. 90,000
Holly Fisher & Assoc, Scarborough, Ont. - establish aboriginal designers catalog - Phase II 23,200
Final phase 40,470
Horseback Adventures Ltd, Brule, Alta. - business plan: expand wilderness camp 3,825
Hoy Leonard, Prince George, BC - acquire skidder to establish logging operation. 98,750
Hub Dental Laboratory Ltd., Moncton, N.B. - Hub Dental Lab Ltd. 10,700
Hudson, Mr. James J., Division 10, Subd. C., Nfld. -establish flight training facility 13,500
Huro Top Enr, Village-Des-Hurons, Wendake, Que. - renovate beauty salon 32,000
IBM Canada Ltd, North York, Ont. - CASCON 50,000
Ibuyk Cooperative, Tuktoyaktuk, N.W.T. - equip a carver's workshop 24,900
ICCA-Vienne-Nov.'96, Quebec, Que. - Int'l Council for Commercial Arbitration 7,410
Icy Waters Ltd., Whitehorse, Yukon - send representative to 5 trade shows 8,400
Ideal Auto Sales Ltd., Slave Lake, Alta. - business plan to expand auto repair bus. 1,125
IMEC Research Prog., Montreal - VDT-CIFE. 60,000
Benchmarking of 60 infrastructure projects 60,000
Imelda Atwin, Oromocto, N.B. - Acquire building for convenience store 1,697
Incontext Corporation, Toronto, Ont. - diagnostic review. 26,250
Indian Agri-Business Corp, Calgary, Alta. - conference for Agricultural Assoc. 9,095

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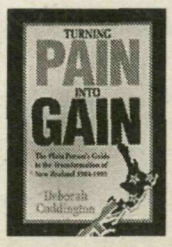

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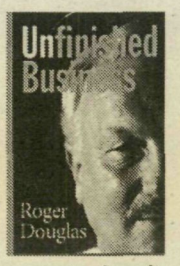

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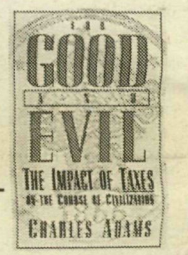

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Conference in Edmonton. 9,374
Indian Art-I-Crafts, Brantford, Ont. - advertising & promotion: Toronto Int'l Pow Wow 15,000
Indigo Blue's Fashion Ltd., Sechelt, B.C. - establish a retail clothing business 21,000
Iner Gauchier, High Prairie, Alta. - establish logging operation 46,800
Inetco Systems Ltd, Burnaby, BC - comprehensive review of company business 7,500
Infocorp Computer Solutions Ltd., Winnipeg - DRS standard program, Phase I 7,500
Information Technology Assoc. CDA., Fredericton, NB - high impact presentations. 10,000
Annual conference, Mississauga, Ont. 50,000
Organize Softworld '95, a major software conf. . 40,000
Sponsor buyers/sellers forum at Softworld '94 . . 3,900

Business subsidy?
North American Indigenous Development Foundation, Edmonton, Alta. - feasibility study to establish a private social club 4,500

Information Technology Research Centre, Toronto - seminar, Sept. 23-24 18,000
Innova Corp., Yokohama, Japan - participate at event in Yokohama, Apr. 1994. 15,000
Insight Medical Corporation, Toronto, Ontario - assessment. 28,000
Integrity Digital, Prince George, B.C. - establish a property assesment firm 5,680
Inuit Art Foundation, Nepean, Ont. - develop/distribute educational materials 20,000
Inuit Broadcasting Corp, Yellowknife - symposiuim on northern distance communication 47,500
Symposium on accessing northern communications/technologies 25,000
Inuit Communications Systems Limited, Iqaluitn - expand the existing operations 33,825
Invar Manufacturing Ltd., Sidney, Ont. - automotive components initiative 80,000
IOT Development Corp, The Pas, Man. - training seminar for board of directors 3,975
Irene Green, Six Nations (Part) 40, Ont. - establish Native jewellery mfg. 15,333
Marketing—Native jewellery operation 1,874
Irma Freel, Hazelton, B.C. - expand and modernize trucking business 4,500
Irvin & Angela Swanson, Norway House, MB - est. carpet/upholstery cleaning business 4,546
Isadore Vermette, Winnipeg, MB - business plan to expand/modernize towing service 3,900
Island Lake First Nation, Island Lake Reserve, Sask. -business support. 15,500
Establish grocery store/gas bar/cafe 78,729
Business plan 5,625
Island Lake Tribal Council, Island Lake, MB - study/plan to est. fish processing op. 45,000
Isodyne Inc., Winnipeg, MB - technology transfer and financing for commercialization in Can 3,500
Jack Bauer, Edmonton, Alta. - business plan; acquire billiard operation. 1,125
Jacob Adrianus Schep, Thunder Bay, Ont. - establish gouda cheese mfg plant. 50,000
James T. Meloche, Kahnawake, Que. - install sign; business plan 3,450
Jimmy Sayazie, Black Lake Reserve, Sask. - Business support for store/arcade. 4,500
Joel Maki, Toronto, Ont. - assessment; campmate washer 3,820
John Charlie, Duncan, B.C. - expand auto wrecking business. 20,100
John Delaronde, Kahnawake, Que. - develop high quality meals. 3,938
John McGregor & Mike Thomas, Kahnawake, Que. -retail & wholesale outlet for martial arts 19,813
Joseph & Karen Donio, Geraldton, Ont. - capital for Jo-Anne's Boutique 39,318
Marketing 3,780
Business support. 6,259
Business plan 4,815
Julius Thomas Mueller, Maple Ridge, B.C. - expand hotel and pub business 99,500
Business plan 7,500

Business subsidy?
Manitoba First Nations Int. Pow-Wow, Portage la Prairie, Man. - promote First Nations awareness through a pow-wow 5,000

June Debassige, Sudbury, Ont. - business plan 667
Marketing—money finders 9,814
Kalman Technologies Inc, Vancouver - image recognition/decomposition for forms recognition 71,605
Kateri Damm, Cape Croker, Ont. - establish Damm Write 14,801
Katherine Ferguson, Kamloops, B.C. - est. clubhouse/food concession on golf course 92,500
Katherine St. Amant, Midland, Ont. - establish Mary Kay consultant 3,652
Kathleen Badger, Sturgeon Lake, Alta. - business plan/establish laundromat 3,000
Keith Butler, Whitehorse, Yukon - home inspection services. 3,290
Keith Little, Pine River, Man. - bus. supupport. 1,500
Expand cow/calf operation. 44,300

Business subsidy?
Native Images, Vancouver - establish tattoo shop 10,000

Keith Julien, Truro, N.S. - establish computerized portrait business 15,000
Keith Robert Bedard, Masset, B.C. - purchase a commercial fishing vessel. 17,300
Kingfisher Lake Socio-Economic Dev. Corp., Kingfisher, Ont. - business support. 18,000
Capital—establish cable T.V. system 49,588
Feasibility—fuel sales 19,988
Last Oak Golf and Country Club Inc., Cowessess Reserve, Sask. - business support 1,750
Business support - operational review 10,000
Golf course expansion - capital 18,250
Laura-Lee Thomas, London, Ont. - business support—Dr. Doolittle's 17,638
Laurentian Lodge, Elliot Lake, ON - expand. 99,000
Leslie D. Harry, North Vancouver, B.C. - establish baseball facility 6,900
Leslie H. Couchie, North Bay, Ont. - establish video game rental business 3,562
Linda J. Parker, Six Nations (Part) 40, Ont. - business plan for Sweet Grass Gardens 2,447
Linda Jean Doxtator-Landry, London, Ont. - capital—Pizza Pasta Inc. 25,000
Study - pizza and pasta operation. 22,363
Operating/marketing costs—pizza restaurant . . 17,550
Louis Ladouceur, Improvement District No. 24, Alta. - expand arcade operation 10,000
Aftercare for arcade operation 1,500
Louis Stacey, Kahnawake, Que. - expansion of existing delicatessen. 8,200
Lyle Isbister, Edmonton, Alta. - business plan for a balloon store 2,250
Manitoba First Nations Int. Pow-Wow, Portage la Prairie, Man. - promote First Nations awareness through a pow-wow 5,000
Mohawk Oil Reg'd, Kahnawake, Que. - deliver heating oil 36,568
Mr. Paul Kablutsiak, Whale Cove, NWT - purchase a Astro van 6,700
Native Images, Vancouver - est. tattoo shop 10,000
Osoyoos Indian Band, Oliver, BC - business plan to take over a golf course 7,500
Pamela Warden, Saskatoon, Sask. - operating costs for beauty salon 20,400
Business support. 4,500
Paul Parisien, St. Adolphe, Man. - bus. support . . . 4,930
Expand golf cart leasing business 44,898
Peter & Olive Vanderkooy, Azilda, Ont. - establish hydroponic tomato greenhouse operation 97,250
Ralph Beaulieu, Ebb and Flow, Man. - purchase fertilizer and repairs for tractor 8,550
Raymond Cayer, Maniwaki, Que. - market & feasibility studies re tanning salon 2,735
Rebecca Big Canoe and Sherman Butler, Georgina Island, Ont. - establish traditional hand drum making business. 12,834
Rock Investments, Sudbury, Ont. - establish Rocky's Convenience & Gas Bar - capital. 100,000
Study 3,825
More capital 21,750
Marketing 16,050
Business support. 12,120
Operating costs 6,653

Business subsidy?
Katherine St. Amant, Midland, Ont. - establish Mary Kay consultant . . 3,652

Ruth Flowers, Hopedale, Nfld. - establish video arcade & pool room 17,700
Sweet Grass Records Inc., Saskatoon, Sask. - establish a recording studio 16,100
Business support grant. 4,750
Thomas Wilson, Truro, NS - establish Splat paint ball business. 8,875
Timothy Paul Friesen, Okotoks, Alta. - expand horse shoeing operation. 8,000
Valarie McGregor, Birch Island, Ont. - capital for a chip stand 15,525
Walter Bannon, Thunder Bay, Ont. - capital for snack vending operation 14,900
White Bear Golf Course Estates Inc., Carlyle, Sask. - marketing & install computer system 9,000
Business support. 10,000
Willard MacLean, Charlottetown, PEI - purchase video store. 28,800
Purchase video store 15,000
Aftercare 3,000
Marketing 2,361
Purchase Plaza Video 563
Yvonne Wysote, North Vancouver, BC - establish a cosmetics business. 11,000

Business subsidy?
Mount Paul Golf Course Ltd., Kamloops, BC - expand & modernize golf course facility 4,500

Letters-to-the-editor

Workers' compensation

The following is a copy of a letter from a Saskatchewan business person to the Workers Compensation Board:

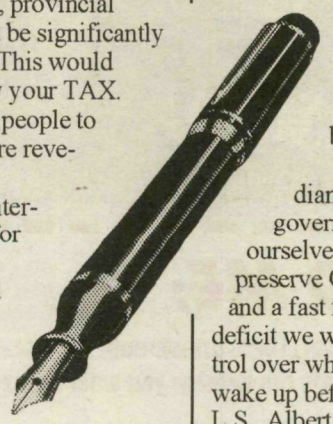
We have received our Notice of Assessment for 1996. I have two complaints and one concern that I wish to lodge with the WCB. One is the addition of a surcharge to bring my payment up to an arbitrarily set $50. My second complaint is with the date by which you require the data from the previous year to be submitted to you.

To outline the first issue of the $50 minimum. Since we are a small independent business and employ only part time students our annual payroll is quite small. Since your tax is based upon payroll we do not pay a large sum of money to you. This is the source of my complaint. Even though my rate has increased from $0.20 to $0.50 over the last four years we still fall below your minimum. It has been explained to me that it costs more than $50 to process our annual assessment (tax) and I shouldn't complain because if I was in Alberta we would pay a $100.00 minimum. I would not argue with you over these two points however I believe them to be irrelevant. If the WCB was to operate as a normal business rather than a government bureaucracy you would not send bills out that cost more to process than the proceeds would yield. This activity leads me to believe that your organization is top heavy, and mired in a bureaucratic mud hole. One suggestion would be to bill every two or three years for the businesses that fall into this category. I'm sure there are quite a few other good suggestions out there among your clients, why don't you ask next time you send out mailings to all businesses in the province?

The second part of this issue is it doesn't matter what Alberta charges. We are not in Alberta! If we were my corporate taxes, business taxes, personal taxes, provincial sales tax and a variety of other taxes would be significantly lower than they are here in Saskatchewan. This would leave me with more money in which to pay your TAX. In addition, I would have quite a few more people to market to and therefore be able to raise more revenue.

The concern which I have, is with the interest penalties which you have assessed me for what you consider a short payment. Since we have had overpayments in the past (and continue to do so according to me) you have never credited me with interest for any overpayments in the past four years. Why do you have this double standard?

G.W. Gilchrist
Saskatoon, SK.



Controlling government

Our government is leading us to poverty and destruction. Government is not special. It should have the same laws, regulations, values, standards and benefits as the rest of us. Government should pay their own cost of living out of their own salaries. Every Member of Parliament in the past, present and future should have only a reasonable salary and pension. Allowances and favours are beyond reality. Taxpayers should decide what is fair, not the government, obviously they have an inflated idea of their worth. Grand mansions, gourmet meals and "golden chariots" are not essential to good government. Government conveniently forgets what they are there for. The government is the biggest money waster in history. Our tax money is OUR TAX MONEY, not the government's. It should be for our benefits.

Our government is killing Canada. Canadian people are far too complacent, and let the government become fat cats. We must speak for ourselves. Government must be truly reformed to preserve Canada. With new life, innovative thinking and a fast forward approach to solving our country's deficit we will stand undivided. We must demand control over what our taxes pay for. Canadian people must wake up before it is too late.

L.S., Alberta

SaskPower rates

In regard to SaskPower's rate hike and free trade, if we can receive cheaper power from another source - why not? However, my main objection is the fact they do not consider the Saskatchewan farm a business. Well, who are all these big companies who require tax breaks selling the equipment etc. to? The old folks homes?? Most farmers are required to file GST. Is this not a business procedure?

Sincerely,
Lois Williams
Prince Albert

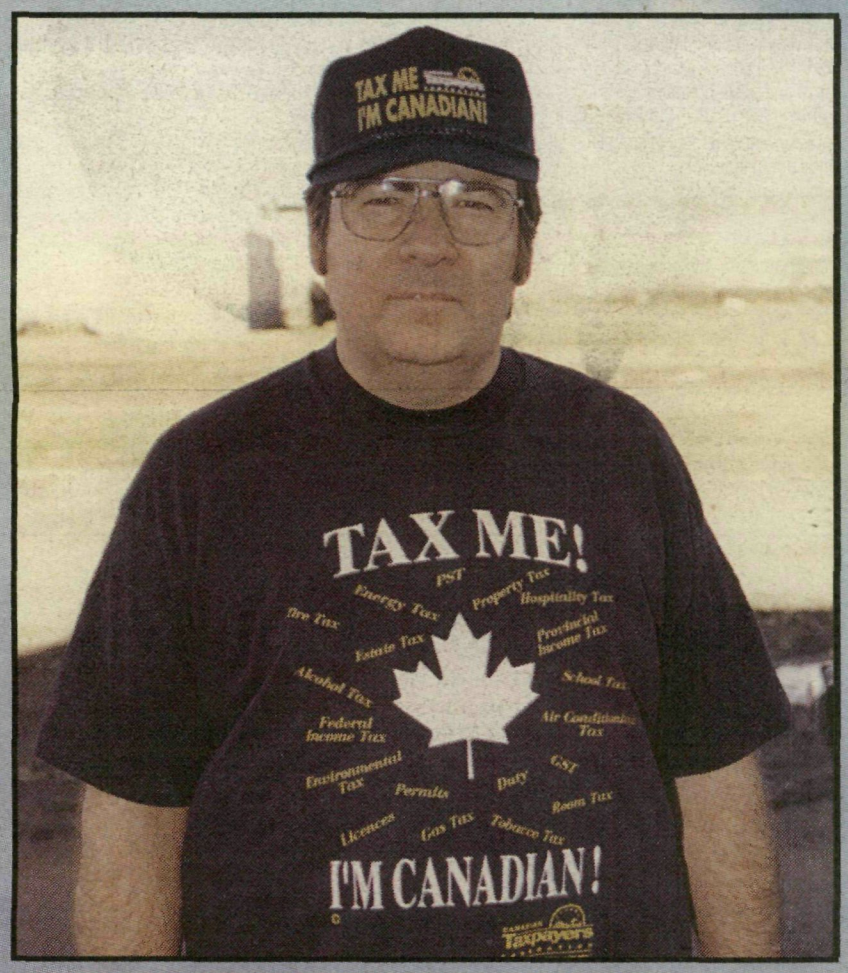
Forget the beaver!

Canada's national symbol is

TAX$

VOLUME DISCOUNT 10% off orders of 5 or more

SO SHOW YOUR NATIONAL PRIDE AND BUY YOUR VERY OWN



TAX ME I'M CANADIAN©

T-shirt & cap

T-SHIRTS - $18.00
CAPS - $12.00
plus taxes and shipping

T-shirts 100% pre-shrunk cotton

PLEASE SEND ME:

1. Navy blue t-shirt: Fruit of the Loom, 100% pre-shrunk cotton - $18.00 each. Please indicate the number you want by size.

❑ Large ❑ X Large

❑ XX Large (add $2.00 for XX Large)

Total number of shirts _____ @$18.00 each..... _____.

2. Navy blue men's dress cap: cotton, leather sizer brass buckle - $12.00 each

Total number of caps _____ @$12.00 ea. ..... _____

Total cost of order:..... _____
Less 10% discount on 5 or more (hats & shirts can be combined)..... _____
Total (less discount) ..... _____
Add 7% GST:..... _____
Add 9% PST (Saskatchewan residents only): ..... _____
Postage and handling first t-shirt or cap $3.50 ..... $3.50
Postage for additional shirts & caps add 50 cents each. ..... _____
Total order: ..... _____

Method of payment: ❑ Mastercard ❑ Visa ❑ Cheque
Name on Card: _____
Visa/Mastercard #: _____ Expiry date: _____
Name: _____
Address: _____
City/town: _____ Prov: _____ PC: _____

Please allow 3 - 4 weeks for delivery. Send your order to: The Canadian Taxpayers Federation - #105-438 Victoria Ave E., Regina, Sask. S4N 0N7 Fax: 306-352-7203

OR PHONE: 1-800-667-7933